B&A Buys & Associates, Inc.
Environmental Consultants

300 E. Mineral Ave., Suite 10
Littleton, CO 80122-2631
303/781-8211 303/781-1167 Fax

September 1, 2006

Mrs. Diana Whitney
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—Fellows Energy, LTD
Gordon Creek, State 4-7-14-8 1,424' FSL, 502' FEL, NE/4 SE/4
Section 7, T14S, R8E, SLB&M, Carbon County, Utah

Dear Mrs. Whitney:

On behalf of Fellows Energy, LTD (Fellows), Buys & Associates, Inc. respectfully submits the enclosed original and one copy of the Application for Permit to Drill (APD) for the above referenced State administered vertical well. A request for exception to spacing (R649-3-2) is hereby requested based on topography since the well is located less than 460' of the drilling unit boundary. Fellows is the only owner and operator within 460' of the proposed well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and cross-sections of the proposed well site;

Exhibit "B" - Proposed location maps with access and utility corridors;

Exhibit "C" - Drilling Plan;

Exhibit "D" - Surface Use Plan;

Exhibit "E" - Typical BOP and Choke Manifold diagram.

Please accept this letter as Fellows written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Steven Prince of Fellows at 435-636-4492 if you have any questions or need additional information.

Sincerely,

Don Hamilton
Don Hamilton
Agent for Fellows

cc: Steven Prince, Fellows

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SEP 08 2006
DIV. OF OIL, GAS & MINING

ORIGINAL

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
ML- 46537	State

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: N/A

2. NAME OF OPERATOR: Fellows Energy, LTD

9. WELL NAME and NUMBER: Gordon Creek, State 4-7-14-8

3. ADDRESS OF OPERATOR: 807 N Pinewood Circle CITY Price STATE UT ZIP 84501

PHONE NUMBER: (435) 636-4492

10. FIELD AND POOL, OR WILDCAT: ~~Gordon Creek~~ Undesignated

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1,424' FSL, 502' FEL 494664 X 39.619207
AT PROPOSED PRODUCING ZONE: Same 4385287 Y -111.062161

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 7 14 8 S

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 13.51 miles northwest of Price, Utah

12. COUNTY: Carbon

13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
502'	1,679.36	160
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
1,900'	4,000	Blanket B32644629
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
7,387' GR	10/1/2006	6 months

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	8-5/8" J-55 ST 24 #	2,000	Class G 825 ~~300~~ sacks 1.15 cu.ft/sk 15.8 ppg DKD
7-7/8"	5-1/2" J-55 ST 15.5 #	4,000	50/50 Poz 230 sacks 2.08 cu.ft/sk 12.5 ppg
			10-1 RFC 395 sacks 1.61 cu.ft/sk 14.2 ppg

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25. **ATTACHMENTS**

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VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Don Hamilton TITLE Agent for Fellows Energy, LTD

SIGNATURE Don Hamilton DATE 9/1/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31230

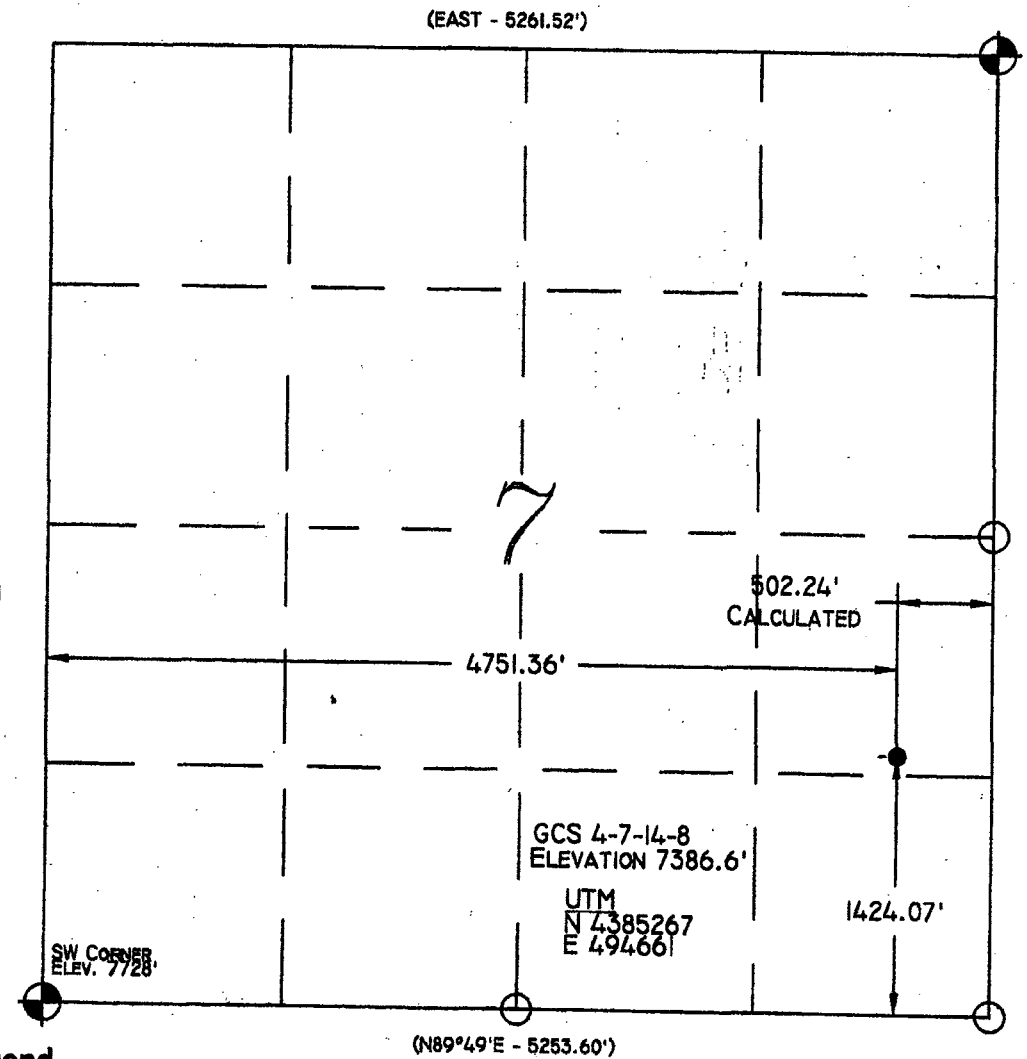
Approved by the Utah Division of Oil, Gas and Mining
APPROVAL:
Date: 04-19-07
(See Instructions on Reverse Side)
By:

RECEIVED
SEP 08 2006
DIV. OF OIL, GAS & MINING

(11/2001)

Range 8 East

Township 14 South



Legend

- Drill Hole Location
- Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- Calculated Corner
- GLO
- GPS Measured

NOTES:
1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°37'09"N
111°03'44"W

Location:
THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:
THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:
THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:
BASIS OF ELEVATION OF 7728' BEING AT THE SOUTHWEST SECTION CORNER OF SECTION 7, TOWNSHIP 14 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE WATTIS QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
PROPOSED DRILL HOLE LOCATED IN THE NE1/4 SE1/4 OF SECTION 7, T14S, R8E, S.L.B.&M., BEING 1424.07' NORTH AND 4751.36' EAST FROM THE SOUTHWEST CORNER OF SECTION 7, T14S, R8E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

REGISTERED LAND SURVEYOR
1-30-05
No. 146652
Albert J. Spensko
STATE OF UTAH

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

Talon Resources, Inc.
195 N. 100 W., P.O. Box 1230
Huntington, Utah 84528
Ph: 435-687-5310
Fax: 435-687-5311

KLABZUBA OIL & GAS
GCS 4-7-14-8
Section 7, T14S, R8E, S.L.B.&M.
Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J. / A.J.S.
Drawing No. A-1	Date: 01/30/03
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 876

EXHIBIT "D"
Drilling Program

Attached to UDOGM Form 3
Fellows Energy, LTD
Gordon Creek, State 4-7-14-8
NE/4 SE/4, Sec. 7, T14S, R8E, SLB & M
1,424' FSL, 502' FEL
Carbon County, Utah

1. The Geologic Surface Formation

Emery Sandstone Member of the Mancos Shale

2. Estimated Tops of Important Geologic Markers

	MD
Mancos Blue Gate Marker	3,325'

3. Projected Gas & Water Zones

Mancos Gas Zone:	2,100' – 2,875'
Ferron Sands:	3,420' – 3,740'

Groundwater may be encountered within the Emery Sandstone Member of the Mancos Shale. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 2000 psi.

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4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT,GRADE & JOINT	CONDITION
12–1/4"	2000'	8-5/8"	24# J-55 ST&C	New
7-7/8"	2000' – TD (±4000')	5-1/2"	15.50# J-55 ST&C	New

Cement Program –

Surface Casing: ~~300~~ 325 sacks G + 2 % $CaCl_2$ + 0.25 pps cellophane flakes;
Weight: 15.8 #/gal
Yield: 1.15 cu.ft/sk
Excess: 125%

Production Casing: 230 sacks 50/50 pozmix + 8% gel +10% salt + 0.25 pps cellophane flake
Weight: 12.5 #/gal
Yield: 2.08 cu.ft/sk
Excess: 25%
395 sacks 10-1 RFC with 0.25 pps cellophane flakes
Weight: 14.2 #/gal
Yield: 1.61 cu.ft/sk
Excess: 25%

The following shall be entered in the driller's log:

1) Blowout preventer pressure tests, including test pressures and results;

2) Blowout preventer tests for proper functioning;

3) Blowout prevention drills conducted;

4) Casing run, including size, grade, weight, and depth set;

5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;

6) Waiting on cement time for each casing string;

7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 2000 psi BOP will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-2000	12-1/4" hole	Drill with air, will mud-up if necessary.
2000-TD	7-7/8" hole	Drill with air, will mud-up if necessary. 500 psi @ 1500-2300 Scf.

7. The Testing, Logging and Coring Programs are as followed

2000-TD Gamma Ray, Density, Neutron Porosity, Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in The area nor at the depths anticipated in this well. Bottom hole pressure expected is 1000 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: October 2006.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

(a) prior to beginning construction;

(b) prior to spudding;

(c) prior to running any casing or BOP tests;

(d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"
Multipoint Surface Use Plan

Attached to UDOGM Form 3
Fellows Energy, LTD
Gordon Creek, State 4-7-14-8
NE/4 SE/4, Sec. 7, T14S, R8E, SLB & M
1,424' FSL, 502' FEL
Carbon County, Utah

1. **Existing Roads**

   a. The proposed access road will encroach the gravel-surfaced Haley Canyon Road under Carbon County Mainteance in which approval to utilize and encroach has previously been receieved. An existing approach will be utilized that presently accesses the Gordon Creek, State 1A-18-14-8 (see Exhibit "B").

   b. The proposed access road will utilize the existing access road for the Gordon Creek, State 1A-18-14-8 well site in its entirety.

   c. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition.

2. **Planned Access**

   a. Approximately 0.53 miles of new access will be required (see Exhibit "B").

   b. Maximum Width: 20' travel surface with a 27' base.

   c. Maximum grade: 13%.

   d. Turnouts: None.

   e. Drainage design: approximately 4 – 18" culverts may be required. Water will be diverted away from the planned access as necessary and practical.

   f. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

3. **Location of Existing Wells**

   a. There are two proposed wells and one existing well within a one mile radius of the proposed well site (see Exhibit "B").

4. **Location of Existing and/or Proposed Facilities**

   a. If the well is a producer, installation of production facilities will follow.

   b. Buried powerlines and gathering lines will follow the proposed access road to the existing Gordon Creek, State 1A-18-14-8 then follow the existing road east and connect to the existing Pipeline Corridor (see Exhibit "B").

   c. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. **Location and Type of Water Supply**

   a. Water to be used for drilling and completion activities will be obtained from the existing water well near the Gordon Creek Unit #1 (Provisional Well Number 02-91-002P00) or obtained through a direct purchase from Price River Water Improvement District, a local, municiple source of culinary water.

   b. Water is obtained from the well will be properly permited with the Utah State Division of Water Rights and a copy of the permit and pertinent information supplied to the Utah Division of Oil, Gas and Mining.

   c. Water will be transported by truck over approved access roads.

   d. No new water well is to be drilled for this location.

6. **Source of Construction Materials**

   a. All necessary construction materials needed will be obtained locally and hauled to the location on existing roads.

   b. No construction or surfacing materials will be taken from Federal/Indian land.

7. **Methods for Handling Waste Disposal**

a. Since the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location

c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.

d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. **Ancillary Facilities**

a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. **Wellsite Layout**

a. Available topsoil will be removed from the location and stockpiled. The location of mud tanks, reserve and bermed pits, and soil stockpiles will be located as shown on Exhibit "C".

b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the flare pit. The flare pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.

c. Access to the well pad will be as shown on Exhibit "B".

d. Natural runoff will be diverted around the well pad.

10. **Plans for Restoration of Surface**

a. All surface areas not required for producing operations will be graded to as near original condition as possible and recontoured to minimize possible erosion.

b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.

c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existing conditions.

e. Rehabilitation will commence following completion of the well. Holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured.

11. **Surface Ownership**

a. The wellsite will be constructed on lands owned by the School and Institutional Trust Lands Administration, 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. **Other Information**:

a. The primary surface use is wildlife habitat. The nearest dwelling is approximately 6.75 miles southeast. Nearest live water is Summerhouse Spring approximately 3,100' northeast.

b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.

c. The backslope and foreslope will be constructed no steeper than 4:1.

d. All equipment and vehicles will be confined to the access road and well pad.

e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.

f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

Steven Prince
Fellows Energy
807 North Pinewood Circle,
Price, Utah 84501
1-435-636-4492

Agent
Don Hamilton
Buys & Associates, Inc.
2580 Creekview Road
Moab, Utah 84532
435-719-2018

Mail Approved A.P.D. To:
Agent

14. **Certification**

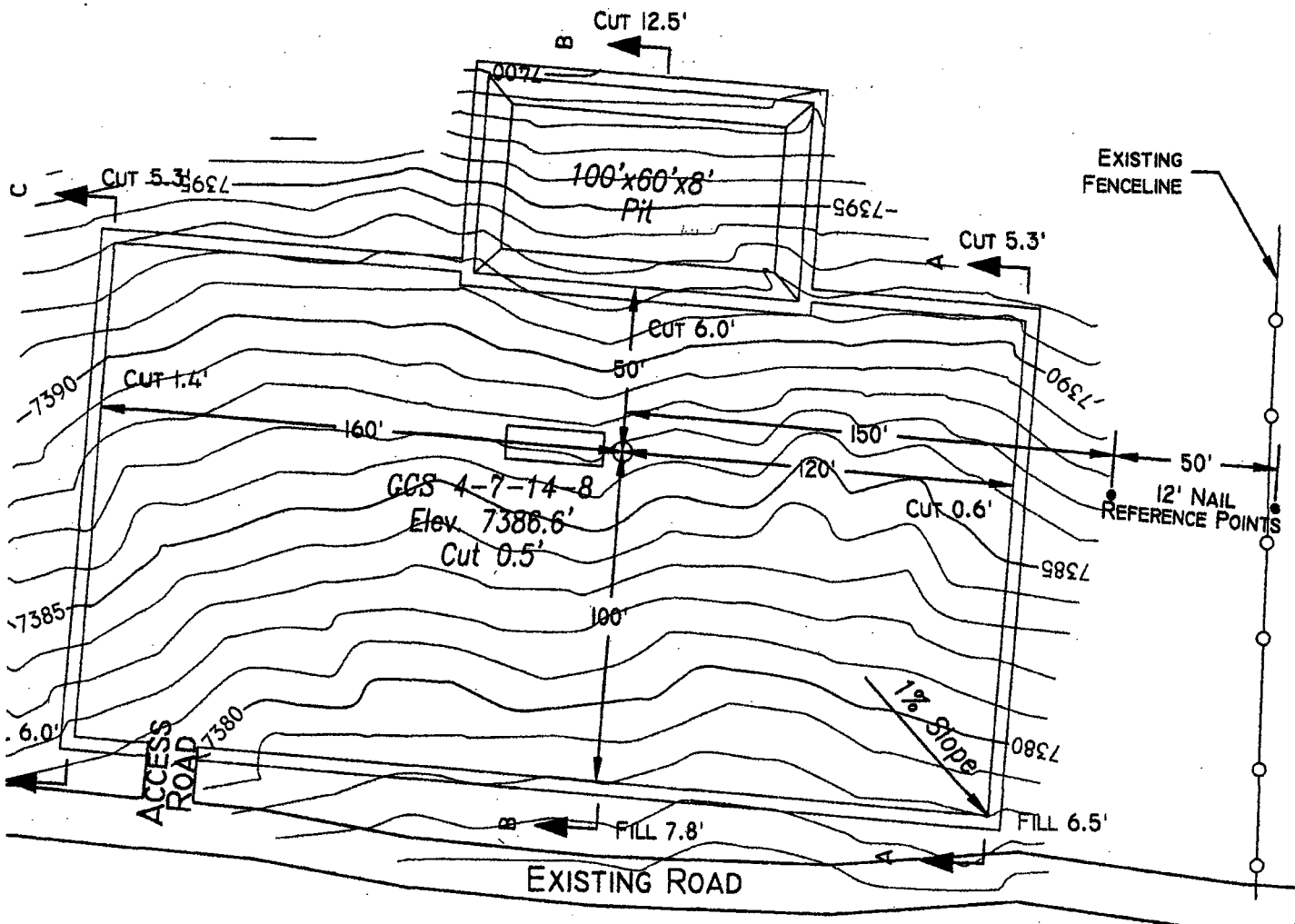
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Fellows Energy, LTD and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9-1-06
Date

Don Hamilton
Don Hamilton
Agent for Fellows Energy, LTD

ORIGINAL

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7386.6'
ELAVATION OF GRADED GROUND AT LOCATION STAKE = 7386.1'



N

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonetv.net

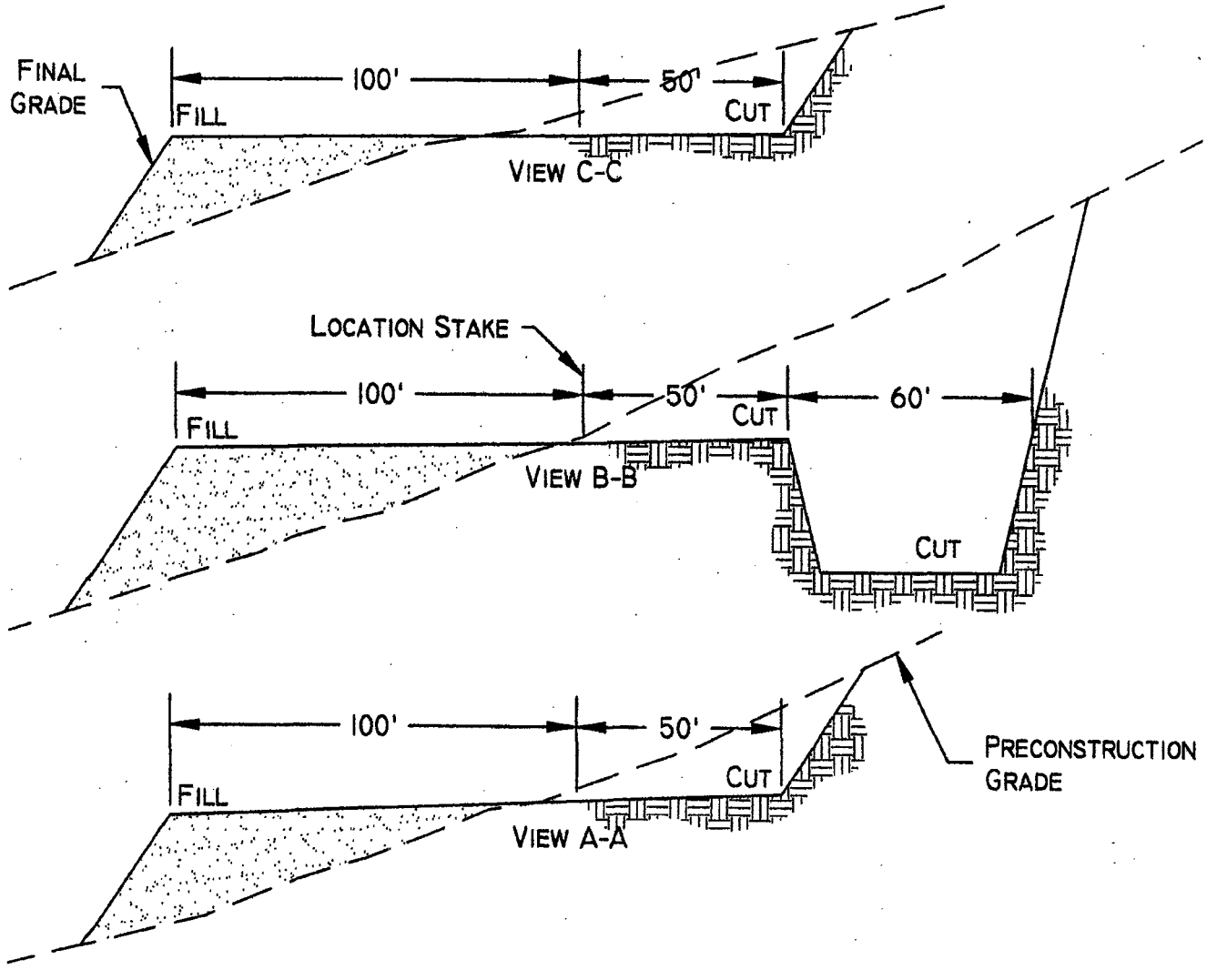
KLABZUBA OIL & GAS

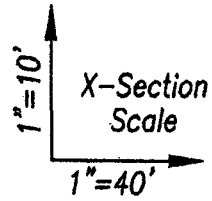
LOCATION LAYOUT

Section 7, T14S, R8E, S.L.B.&M.

GCS 4-7-14-8

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 01/30/03
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 876





SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1

APPROXIMATE YARDAGES

CUT

6")TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 1,755 CU, YDS.

TOTAL CUT = 5,335 CU. YDS.

TOTAL FILL = 3,160 CU. YDS.

TALON RESOURCES, INC

195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonetv.net

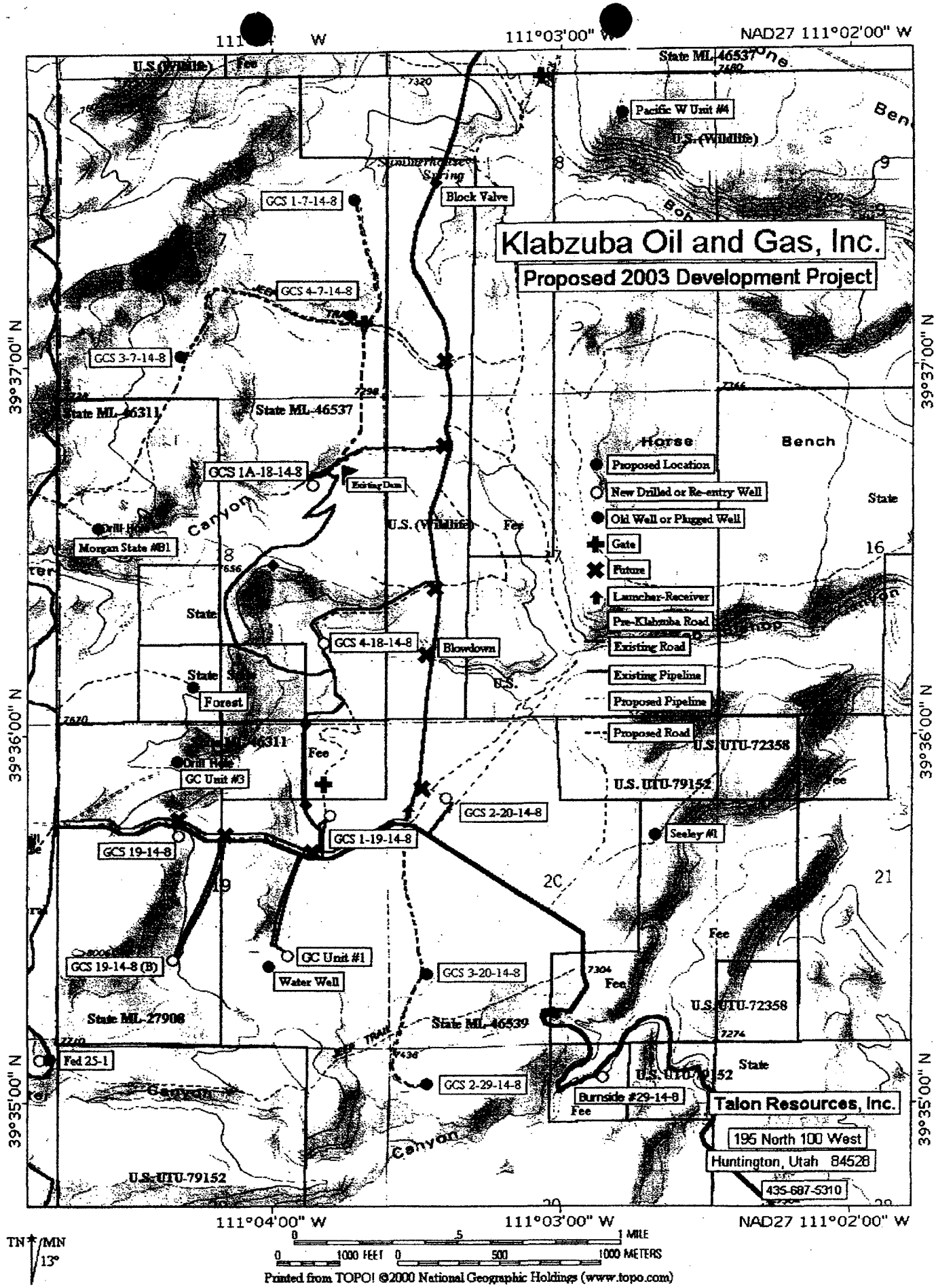
KLABZUBA OIL & GAS

TYPICAL CROSS SECTION

Section 7, T14S, R8E, S.L.B.&M.

GCS 4-7-14-8

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 01/30/03
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 876


111°04'00" W
111°03'00" W
NAD27 111°02'00" W
39°37'00" N
39°36'00" N
39°35'00" N
Klabzuba Oil and Gas, Inc.
Proposed 2003 Development Project
Proposed Location
New Drilled or Re-entry Well
Old Well or Plugged Well
Gate
Future
Launcher-Receiver
Pre-Klabzuba Road
Existing Road
Existing Pipeline
Proposed Pipeline
Proposed Road
GCS 1-7-14-8
GCS 4-7-14-8
GCS 3-7-14-8
GCS 1A-18-14-8
GCS 4-18-14-8
GCS 1-19-14-8
GCS 2-20-14-8
GCS 19-14-8
GCS 19-14-8 (B)
GCS 3-20-14-8
GCS 2-29-14-8
Block Valve
Blowdown
Existing Dam
Pacific W Unit #4
Morgan State #81
GC Unit #3
GC Unit #1
Water Well
Seeley #1
Fed 25-1
Burnside #29-14-8
State ML-46537
State ML-46311
State ML-27908
State ML-46539
U.S. (Wildlife)
U.S. UTU-72358
U.S. UTU-79152
Fee
State
Forest
Horse
Bench
Canyon
Talon Resources, Inc.
195 North 100 West
Huntington, Utah 84528
435-687-5310
TN 13° MN
0 5 1 MILE
0 1000 FEET 0 500 1000 METERS
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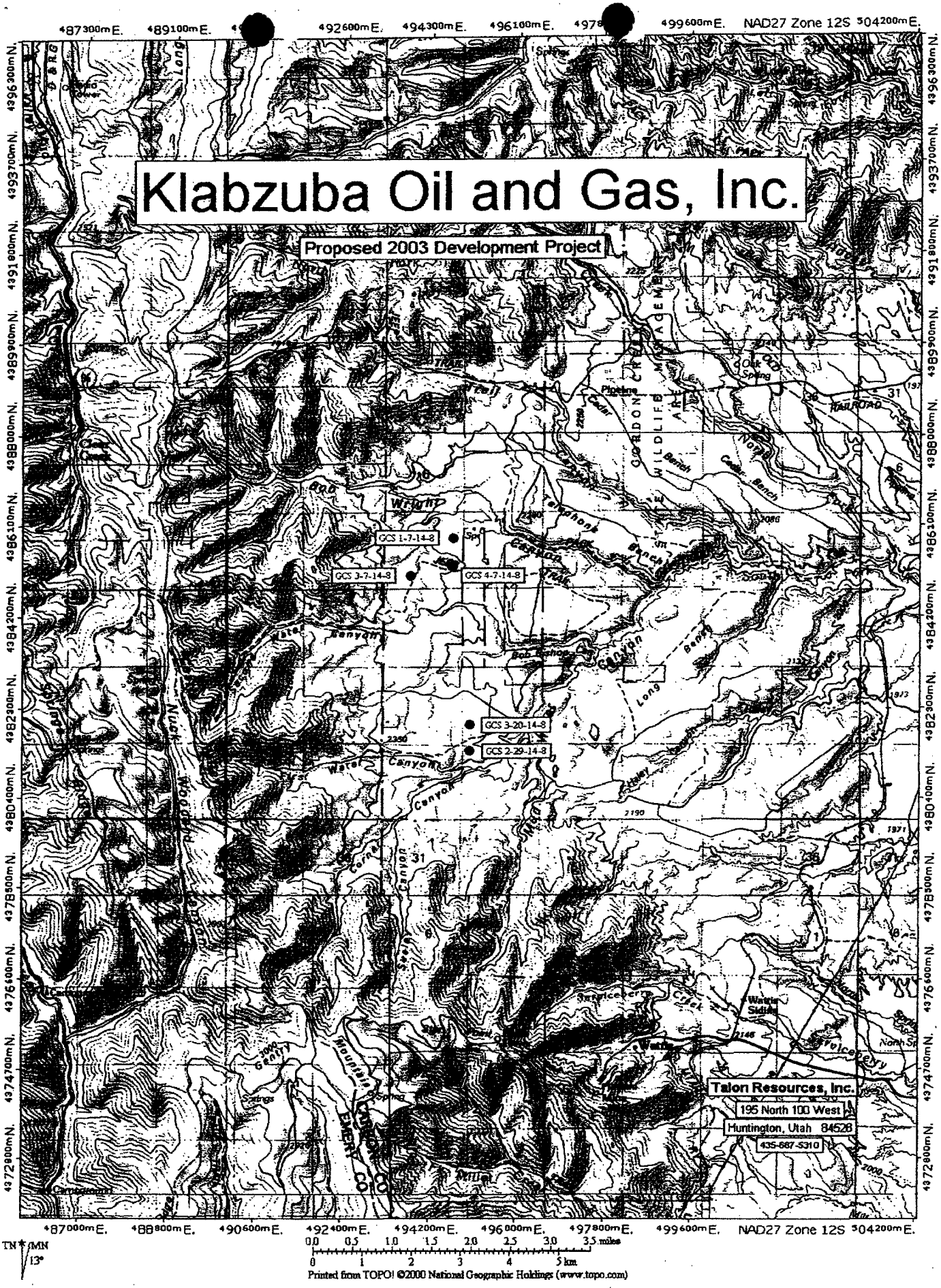
Klabzuba Oil and Gas, Inc.
Proposed 2003 Development Project
GCS 1-7-14-8
GCS 3-7-14-8
GCS 4-7-14-8
GCS 3-20-14-8
GCS 2-29-14-8
Talon Resources, Inc.
195 North 100 West
Huntington, Utah 84528
435-687-5310
NAD27 Zone 12S
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BOP Equipment

3000psi WP

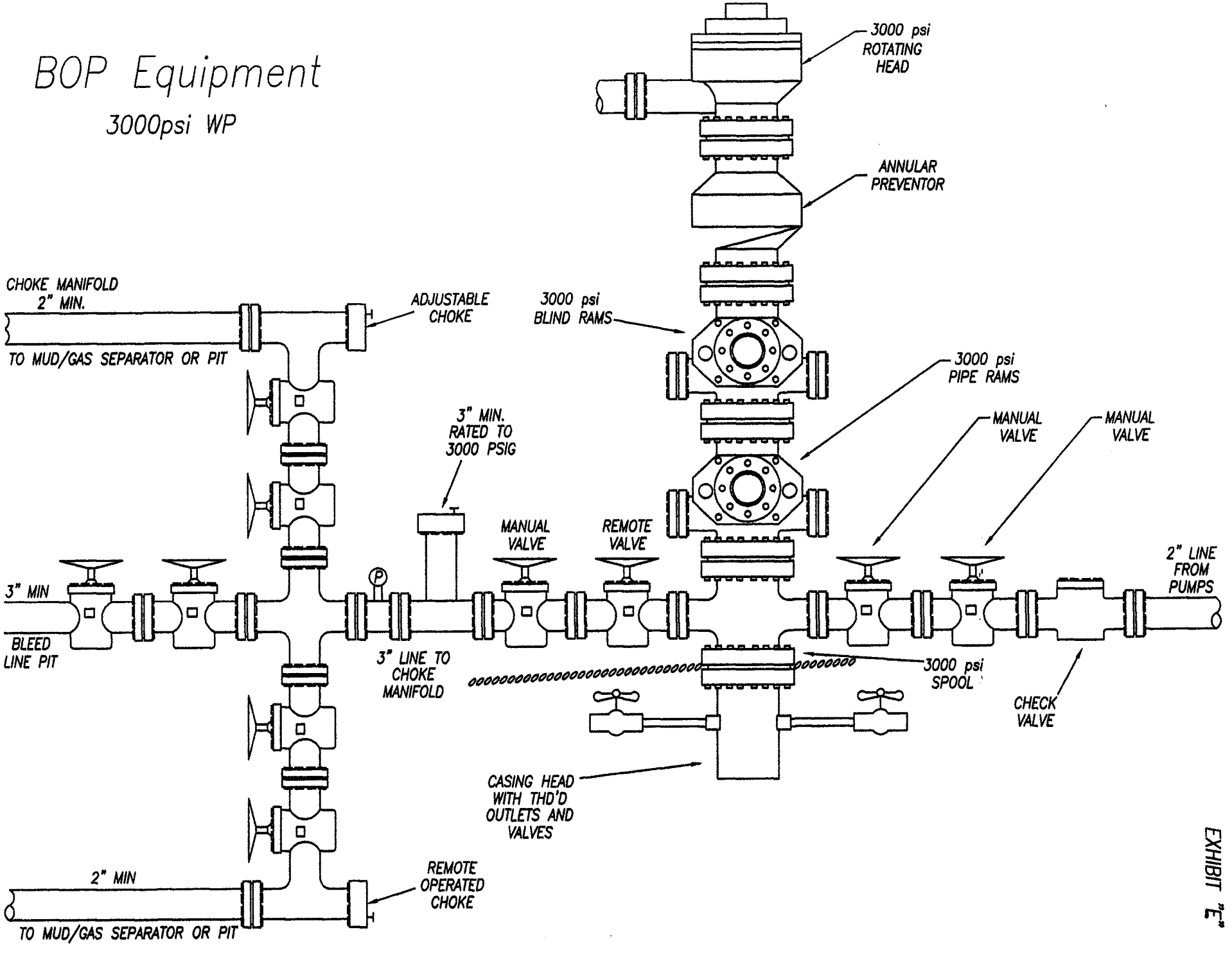


EXHIBIT "E"

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/08/2006

API NO. ASSIGNED: 43-007-31230

WELL NAME: GORDON CREEK ST 4-7-14-8

OPERATOR: FELLOWS ENERGY LTD (N2560)

PHONE NUMBER: 435-636-4492

CONTACT: DON HAMILTON

PROPOSED LOCATION:

NESE 07 140S 080E

SURFACE: 1424 FSL 0502 FEL

BOTTOM: 1424 FSL 0502 FEL

COUNTY: CARBON

LATITUDE: 39.61921 LONGITUDE: -111.0622

UTM SURF EASTINGS: 494664 NORTHINGS: 4385287

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	**Initials**	**Date**
Engineering	DKD	4/18/07
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-46537

SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0009012)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. MUNICIPAL)

N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: ___

___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

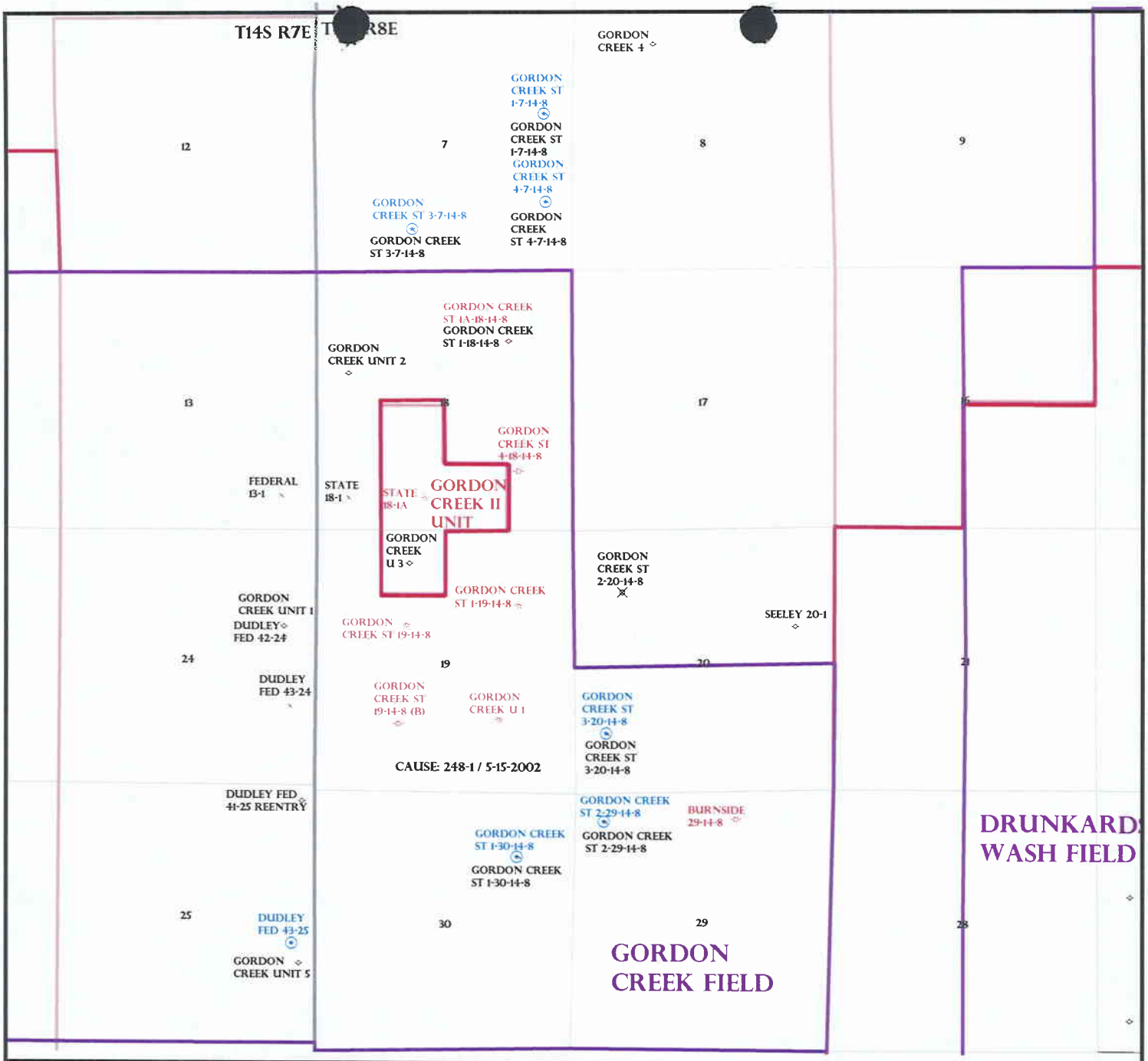
___ R649-3-3. Exception

✓ Drilling Unit
Board Cause No: 248-1
Eff Date: 5-15-2002
Siting: 460' fr Drlg u bdry & 920' fr other wells.

___ R649-3-11. Directional Drill

COMMENTS: Needs Bond (10-12-06)

STIPULATIONS: 1- STATEMENT OF BASIS
2- Surface Csg Cmt Stip



OPERATOR: FELLOWS ENERGY LTD (N2560)

SEC: 7 T.14S R. 8E

FIELD: UNDESIGNATED (002)

COUNTY: CARBON

CAUSE: 248-1 / 5-15-2002

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 15-SEPTEMBER-2006

Application for Permit to Drill
Statement of Basis

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
101	43-007-31230-00-00		GW	S	No

Operator FELLOWS ENERGY LTD **Surface Owner-APD**
Well Name GORDON CREEK ST 4-7-14-8 **Unit**
Field UNDESIGNATED **Type of Work**
Location NESE 7 14S 8E S 0 FL 0 FL GPS Coord (UTM) 494664E 4385287N

Geologic Statement of Basis

This location is within a small, north-south trending graben valley, the west-side bounding fault of which is ~1,600 feet west. The silty, poorly permeable soil is developed on the Upper Portion of the Blue Gate Member of the Mancos Shale. Several units of the Emery Sandstone Member of the Mancos Shale are likely to be present at this location. If the Garley Canyon Sandstone and other superjacent units of the Emery Sandstone Member are present (probable) and wet (possible - standing water was found in upper Garley Canyon Beds in Pinnacle Canyon ~7 miles southeast), these strata should be included within the interval protected by the surface casing string. The operator should be informed of the likelihood of these units being saturated and respond to protect the zones by extending the surface casing string as needed. Extending the proposed casing and cement will adequately isolate any shallow zones containing water. While numerous water rights have been filed within a mile of the location, none of these involve underground water resources.

Chris Kierst — 11/17/2006
APD Evaluator — **Date / Time**

Surface Statement of Basis

Pe-site conducted October 12, 2006. Present: Bart Kettle (DOGM), Nathan Sill (DWR), Jim Davis (SITLA) and Steve Prince (Fellows Energy).

Division of Wildlife Resources (DWR) stated that project site is considered crucial deer and elk winter range and recommends winter closures (Dec 1-April 15). Project site is considered Sage Grouse brooding range, DWR not recommending closures at this time. DWR requesting contributions from Fellows Energy to the Habitat Mitigation Fund as set forth by the Price River EIS. Division of Oil, Gas and Mining (DOGM) requiring that all drilling and completion activities be restricted to permitted access road and well pad.

Bart Kettle — 10/12/2006
Onsite Evaluator — **Date / Time**

Conditions of Approval / Application for Permit to Drill

Category	Condition
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator FELLOWS ENERGY LTD
Well Name GORDON CREEK ST 4-7-14-8
API Number 43-007-31230-0 **APD No** 101 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NESE **Sec** 7 **Tw** 14S **Rng** 8E 0 FL 0 FL
GPS Coord (UTM) 494668 4385264 **Surface Owner**

Participants

Bart Kettle (DOGM), Steve Prince (Fellows Energy), Jim Davis (SITLA) and Nathan Sill (DWR).

Regional/Local Setting & Topography

Proposed project is ~13 miles northwest of Price, located in Carbon County Utah. Project site is surrounded by Mountain browse and P/J woodland rangelands. Regional topography is predominantly semi-arid rangelands dominated by clay based soils. Local topography consists of a series of sage benches cut by P/J and Mountain Browse washes and small canyons. Current uses included seasonal grazing, wildlife habitat, recreation, and oil and gas development. Grazing is conducted in late spring and early fall as livestock are moved from agriculture fields to National Forest lands. The project is located along Water Canyon in a 14-16" precept zone. Soils in this zone are poor to moderately developed and tend to be highly erosive when disturbed. There were no perennial streams or springs observed in close proximity to the project site.

Surface Use Plan

Current Surface Use
Grazing
Recreational
Wildlfe Habitat
Deer Winter Range

New Road Miles	Well Pad		Src Const Material	Surface Formation
0.53	**Width** 150	**Length** 280	Onsite	EMMA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Forbs: Long leaf phlox, rocky mountain aster, hairy aster, Uintah groundsel, and Palmer's penstemon.
Grass: Salina Rye, muttongrass, Junegrass, Sandburg's bluegrass and Indian ricegrass.
Shrubs: Douglas rabbit brush, Wyoming sage, black sage, birch leaf mahogany, Utah service berry, broom snake weed, buckwheat spp, winterfat, and common snowberry.
Trees: None

Soil Type and Characteristics

Fine gray clay, many small sandstone fragments

Erosion Issues Y

Project located in extremely erosive site

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required Y
Divert drainages around north end of location

Berm Required? N

Erosion Sedimentation Control Required? Y
Divert drainages, re-vegetate disturbed sites.

Paleo Survey Run? N **Paleo Potental Observed?** N **Cultural Survey Run?** **Cultural Resources?**

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	Air/mist	0
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations		
Presence Nearby Utility Conduits	Not Present	0
	Final Score	5 3 **Sensitivity Level**

Characteristics / Requirements
100x60x8, drainages on north end of reserve pit require diversion.

Closed Loop Mud Required? N **Liner Required?** N **Liner Thickness** **Pit Underlayment Required?** N

Other Observations / Comments
Division of Wildlife Resources (DWR) stated that project site is considered crucial deer and elk winter range and recommends winter closures according to Price EIS (Dec 1-April 15) written by the Bureau of Land Management (BLM). Project site is considered Sage Grouse brooding range, DWR not recommending closures at this time. DWR requesting contributions from Fellows Energy to the Habitat Mitigation Fund as set forth by the Price River EIS. State Institute of Trust Lands Administration (SITLA) providing no comments for project site. Division of Oil, Gas and Mining (DOGM) requiring that all drilling and completion activities be restricted to permitted access road and well pad. DOGM recommending raised bed access road be built to help mitigate long term erosion and sedimentation problems. Proper re-vegetation will be required for disturbed sites to limit short term erosion problems.

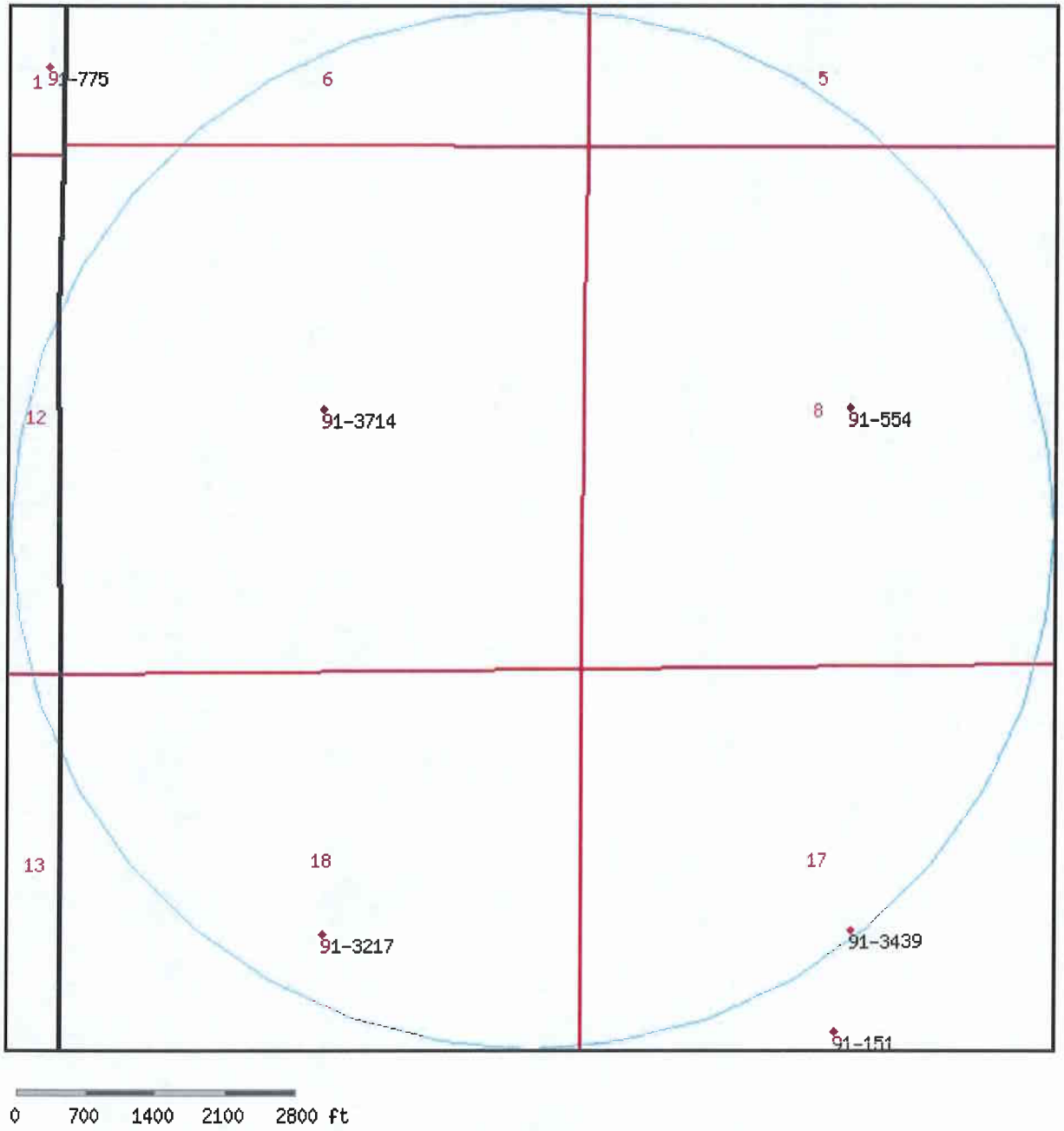
Bart Kettle — **Evaluator**

10/12/2006 — **Date / Time**

WRPLAT Program Output Listing

Version: 2006.11.17.00 Rundate: 11/17/2006 04:47 PM

Radius search of 5280 feet from a point N1424 W502 from the SE corner, section 07, Township 14S, Range 8E, SL b&m Criteria:wrtypes=W,C,E podtypes=all status=all usetypes=all



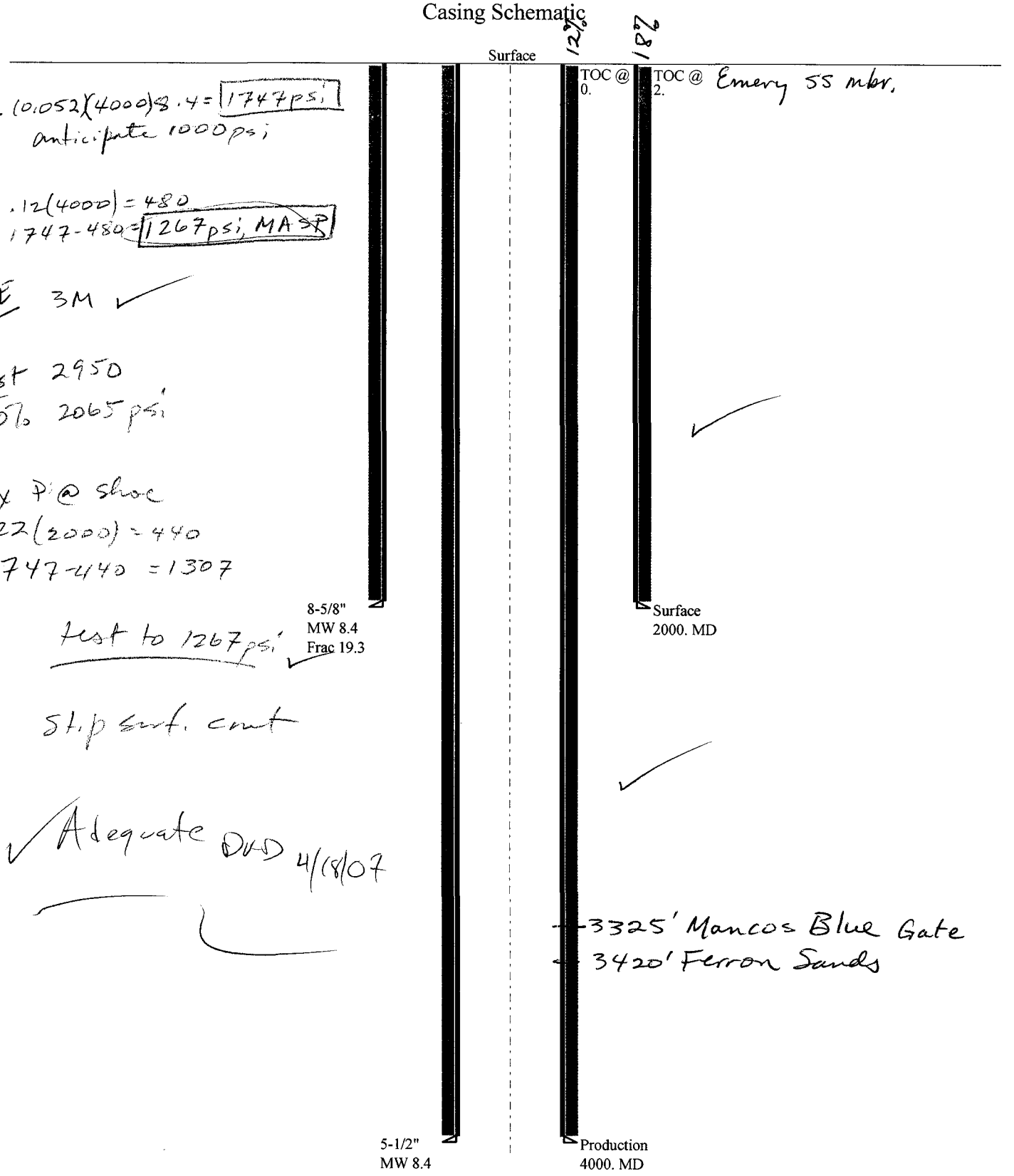
Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
91-3097	Point to Point		P	18690000	DS	0.011	0.000	MILTON A. OMAN
	S660 W660 N4 08 14S 8E SL							717 CONTINENTAL BANK BUILDING
91-3099	Point to Point		P	18690000	DS	0.011	0.000	MILTON A. OMAN
	S660 W660 N4 08 14S 8E SL							717 CONTINTENTAL BANK BUILDING
91-3101	Point to Point		P	18690000	DS	0.011	0.000	MILTON A. OMAN
	N660 E1980 W4 08 14S 8E SL							717 CONTINENTAL BANK BUILDING
91-3103	Point to Point		P	18690000	DS	0.000	0.000	MILTON A. OMAN
	S660 E660 NW 17 14S 8E SL							717 CONTINENTAL BANK BUILDING
91-3105	Point to Point		P	18690000	S	0.000	0.000	MILTON A. OMAN
	S660 E660 NW 08 14S 8E SL							717 CONTINENTAL BANK BUILDING
91-3107	Point to Point		P	18690000	S	0.000	0.000	MILTON A. OMAN
	N660 E1980 W4 08 14S 8E SL							717 CONTINENTAL BANK BUILDING
91-3109	Point to Point		P	18690000	S	0.000	0.000	MILTON A. OMAN
	S660 W660 N4 08 14S 8E SL							717 CONTINENTAL BANK BUILDING
91-3113	Point to Point		P	18690000	S	0.000	0.000	MILTON A. OMAN
	S660 W660 NE 07 14S 8E SL							717 CONTINENTAL BANK BUILDING
91-3217	Point to Point		P	18690000	S	0.000	0.000	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN.
	S660 E660 W4 18 14S 8E SL							675 EAST 500 SOUTH, 5TH FLOOR
91-3436	Point to Point		P	18690000	S	0.011	0.000	B. F. MCINTIRE
	N660 E660 S4 17 14S 8E SL							382 L STREET
91-3437	Point to Point		P	18690000	S	0.011	0.000	B. F. MCINTIRE
	N660 E660 S4 17 14S							382 L STREET

	8E SL				
91-3438	Point to Point	P	18690000 S	0.000 0.000	B. F. MCINTIRE
	S660 E1980 W4 17 14S 8E SL				382 L. STREET
91-3439	Point to Point	P	18690000 S	0.000 0.000	B. F. MCINTIRE
	N660 W660 S4 17 14S 8E SL				382 L. STREET
91-3714	Point to Point	P	18690000 S	0.000 0.000	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN.
	N660 E660 W4 07 14S 8E SL				675 EAST 500 SOUTH, 5TH FLOOR
91-554	Point to Point	P	18690000 S	0.000 0.000	STATE OF UTAH DIVISION OF WILDLIFE RESOURCES
	S1980 E660 N4 08 14S 8E SL				1594 WEST NORTH TEMPLE, STE 2110
91-151	Surface	P	19460628 O	0.038 0.000	BRIGHAM F. MCINTIRE
	N1624 W162 S4 17 14S 8E SL				382 L. STREET
91-774	Surface	P	18740000 IS	1.050 0.000	STATE OF UTAH DIVISION OF WILDLIFE RESOURCES
	S810 W180 E4 01 14S 7E SL				1594 WEST NORTH TEMPLE, STE 2110
91-775	Surface	P	18760000 IS	0.167 0.000	STATE OF UTAH DIVISION OF WILDLIFE RESOURCES
	S810 W180 E4 01 14S 7E SL				1594 WEST NORTH TEMPLE, STE 2110

06-11a Fellows Gordon Creek ST 4-7-14-8

Casing Schematic



BHP (0.052)(4000)8.4 = 1747psi
anticipate 1000psi

Grs .12(4000) = 480
1747 - 480 = 1267psi, MASP

BOPE 3M ✓

Burst 2950
70% 2065 psi

Max P @ shoe
.22(2000) = 440
1747 - 440 = 1307

test to 1267psi ✓

Slip surf. cmt

✓ Adequate DWD 4/18/07

Well name:	**2006-11a Fellows Gordon Creek ST 4-7-14-8**
Operator:	**Fellows Energy Ltd.**
String type:	Surface
Project ID:	43-007-31230
Location:	Carbon County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,265 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,505 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 1,748 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: 2 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 4,000 ft
Next mud weight: 8.400 ppg
Next setting BHP: 1,745 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure: 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	2000	8.625	24.00	J-55	ST&C	2000	2000	7.972	715.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	1505	2950	1.96	48	244	5.08 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801/538-5357
FAX: 801/359-3940
Date: April 11,2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**2006-11 Fellows Gordon Creek ST 4-7-14-8**
Operator:	**Fellows Energy Ltd.**
String type:	Surface
Project ID:	43-007-31230
Location:	Carbon County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,265 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,505 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.
Neutral point: 1,748 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	93 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	185 ft
Cement top:	1,530 ft

Non-directional string.

Re subsequent strings:

Next setting depth:	4,000 ft
Next mud weight:	8.400 ppg
Next setting BHP:	1,745 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	2,000 ft
Injection pressure:	2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	2000	8.625	24.00	J-55	ST&C	2000	2000	7.972	715.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	1505	2950	1.96	48	244	5.08 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801/538-5357
FAX: 801/359-3940
Date: November 21,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**2006-11 Fellows Gordon Creek ST 4-7-14-8**
Operator:	**Fellows Energy Ltd.**
String type:	Production
Project ID:	43-007-31230
Location:	Carbon County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 865 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 1,745 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.
Neutral point: 3,491 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	121 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	368 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	4000	5.5	15.50	J-55	ST&C	4000	4000	4.825	534.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1745	4040	2.315	1745	4810	2.76	62	202	3.26 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801/538-5357
FAX: 801/359-3940
Date: November 21,2006
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 4000 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

13. **Company Representative**

Steven Prince
Fellows Energy
807 North **Pinewood** Circle,
Price, Utah 84501
1-435-636-4492

Agent

. Don Hamilton
Buys & Associates, Inc.
2580 Creekview Road
Moab, Utah 84532
435-719-2018

Mail Approved A.P.D. To:
Agent

14. Certification

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that **the** statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein **will** be performed by Fellows Energy, LTD and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9-1-06
Date

Don Hamilton
Don Hamilton
Agent for Fellows Energy, LTD

From: Ed Bonner
To: Whitney, Diana
Date: 10/3/2006 1:43:10 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Dominion E&P, Inc
- Kings Canyon 2-32E (API 43 047 38261)
- Kings Canyon 9-32E (API 43 047 38262)
- Kings Canyon 11-32E (API 43 047 38378)
- LCU 3-36F (API 43 047 37986)
- LCU 6-36F (API 43 047 37999)
- LCU 8-36F (API 43 047 37988)
- LCU 10-36F (API 43 047 37987)
- LCU 13-36F (API 43 047 37989)
- LCU 15-36F (API 43 047 38260) 1 significant site which must be avoided
- LCU 11-36F (API 43 047 38026)

Fellows Energy, LLC
- Gordon Creek State 4-7-14-8 (API 43 007 31230)
- Gordon Creek State 1-7-14-8 (API 43 007 31231)
- Gordon Creek State 3-7-14-8 (API 43 007 31232)
- Gordon Creek State 3-20-14-8 (API 43 007 31233)
- Gordon Creek State 2-29-14-8 (API 43 007 31234) 1 significant site in access/pipeline corridor which must be avoided
- Gordon Creek State 1-30-14-8 (API 43 007 31235) 1 significant site in access/pipeline corridor which must be avoided

Gasco Production Company
- State 4-32A (API 43 047 38533)

Kerr McGee Oil & Gas Onshore LP
- NBU 922-32L-4T (API 43 047 38568)
- NBU 922-31A-4T (API 43 047 38561)
- NBU 922-31J-1T (API 43 047 38566)
- NBU 922-31K-2T (API 43 047 38565)
- NBU 922-31P-3T (API 43 047 38564)
- NBU 922-31P-1 (API 43 047 38560)
- NBU 1022-7B-3T (API 43 047 38571)
- NBU 1022-10C-1 (API 43 047 38562)

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

Helen Sadik-Macdonald - RE: Gordon Creek APDs

From: "Steven L. Prince"
To: "'Helen Sadik-Macdonald'"
Date: 3/30/2007 1:53 PM
Subject: RE: Gordon Creek APDs

Helen,
We intend to bring cement to surface for the surface casing of all the below listed wells. I'm not certain how much more cement volume the 18% washout factor will add to what I've calculated. Please let me know how much additional cement we will need to specify to comply with the requirements and add that volume to the APD of each of the below listed wells. Thank you so much for your help and please let me know of whatever else we need to change to facilitate the approval process.

Best regards,
Steven L. Prince
Fellows Energy Ltd.
435-650-4492

From: Helen Sadik-Macdonald [mailto:hmacdonald@utah.gov]
Sent: Friday, March 30, 2007 9:41 AM
To: Steven L. Prince
Subject: Re: Gordon Creek APDs

Steve,
I have the following APDs on Gordon Creek:
Gordon Creek ST 1-7-14-8
Gordon Creek ST 3-7-14-8
Gordon Creek ST 4-7-14-8
Gordon Creek ST 3-20-14-8
Gordon Creek ST 2-29-14-8
Gordon Creek ST 1-30-14-8

Are these the Gordon Creek wells you are referring to?

We use an 18% washout factor on surface casing to estimate cement volumes. This is a hole diameter increase, which has a geometric effect on the cement volume calculations. 825 sacks will bring the cement to approximately 700 feet below ground surface.

We will require shallow ground water protection in the Gordon Creek area.
Please state whether you intend to bring cement to surface and on which wells. You may copy the well list above into your response, if the list is correct. Thank you.

Helen Sadik-Macdonald, CPG, PG
Petroleum Engineering Services
Utah Div. of Oil, Gas & Mining
PO Box 145801
Salt Lake City, UT 84114-5801

801/538-5357 Desk
801/359-3940 Fax

>>> On 3/30/2007 at 10:57 AM, in message <001001c772ec$9147ab30$140aa8c0@Fellows1>, "Steven L. Prince" <stevenprince@preciscom.net> wrote:

Hey Helen,
I appreciate your help in reviewing the six APDs for Fellows Energy in the Gordon Creek area. Please change the volume of surface casing cement on each of the APDs from 300 sacks to 825 sacks. As we discussed on the telephone, this represents a volume sufficient to bring cement to surface plus about fifteen percent excess.
Also, would you please note on each APD that the permit should be forwarded to the operator and not to the agent at the following address:

807 N. Pinewood Circle
Price, Utah 84501

If you have any questions, please feel free to contact me at the telephone number below or by email.
Thank you very much for your help.

Best regards,
Steven L. Prince
Fellows Energy Ltd.
435-650-4492

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

April 19, 2007

Fellows Energy, LTD
807 N Pinewood Circle
Price, UT 84501

Re: Gordon Creek State 4-7-14-8 Well, 1424' FSL, 502' FEL, NE SE, Sec. 7, T. 14 South, R. 8 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31230.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
SITLA

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Fellows Energy, LTD
Well Name & Number Gordon Creek State 4-7-14-8
API Number: 43-007-31230
Lease: ML-46537

Location: NE SE **Sec.** 7 **T.** 14 South **R.** 8 East

Conditions of Approval

1. **General**

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

   The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

   - 24 hours prior to cementing or testing casing – contact Dan Jarvis
   - 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
   - 24 hours prior to spudding the well – contact Carol Daniels
   - Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
   - Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

   The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

   - Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
   - Any changes to the approved drilling plan – contact Dustin Doucet

   The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

   - Dan Jarvis at: (801) 538-5338 office
     (801) 942-0873 home
   - Carol Daniels at: (801) 538-5284 office
   - Dustin Doucet at: (801) 538-5281 office
     (801) 733-0983 home

3. **Reporting Requirements**

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. Surface casing shall be cemented to the surface.

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X - Change of Operator (Well Sold) Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **6/1/2007**

FROM: (Old Operator):	**TO:** (New Operator):
N2560-Fellows Energy, LTD	N3245-Gordon Creek, LLC
8716 Arapahoe Rd	807 N Pinewood Cir
Boulder, CO 80303	Price, UT 84501
Phone: 1 (303) 327-1515	Phone: 1 (435) 650-4492

CA No. **Unit:**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/27/2007
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/27/2007
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 10/30/2007
4a. Is the new operator registered in the State of Utah: _____ Business Number: 6208039-0160
4b. If **NO**, the operator was contacted contacted on:
5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
5b. Inspections of LA PA state/fee well sites complete on: 6/15/2007
5c. Reports current for Production/Disposition & Sundries on: ok
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM _____ BIA _____
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: _____
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or BIA has approved the operator for all wells listed within a CA on: _____
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 10/15/2007

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 10/15/2007
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 10/15/2007
3. Bond information entered in RBDMS on: 10/15/2007
4. Fee/State wells attached to bond in RBDMS on: 10/15/2007
5. Injection Projects to new operator in RBDMS on: 10/15/2007
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: _____
2. Indian well(s) covered by Bond Number: _____
3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0010790
3b. The **FORMER** operator has requested a release of liability from their bond on: not yet
The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

4. (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/16/2007

COMMENTS:

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: See Attachment A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: N/A

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: See Attached

2. NAME OF OPERATOR: Gordon Creek, LLC

9. API NUMBER: See Att. A

3. ADDRESS OF OPERATOR: 807 North Pinewood Circle CITY Price STATE UT ZIP 84501

PHONE NUMBER: (435) 650-4492

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of Operator from Fellows Energy, Ltd. to Gordon Creek, LLC effective June 1, 2007:

Bond # for Gordon Creek, LLC is RLB 0010790

From:
Fellows Energy, Ltd. N2560
Steven L. Prince
Steven L. Prince, Vice President and Director
Date: 3 AUGUST 2007

To:
Gordon Creek, LLC N3245
By Thunderbird Energy Inc., its Managing Member
Cameron White, President
Date: AUGUST 3, 2007

NAME (PLEASE PRINT) _____ TITLE _____

SIGNATURE _____ DATE _____

(This space for State use only)

APPROVED 10/15/07
Earlene Russell
Division of Oil, Gas and Mining (See Instructions on Reverse Side)
Earlene Russell, Engineering Technician

RECEIVED
SEP 27 2007
DIV. OF OIL, GAS & MINING

(5/2000)

Fellows Energy, LLC (N2560) to Gordon Creek, LLC (N3245)

well_name	sec	twp	rng	api	entity	lease	well	stat	flag	unit	qtr_qtr	l_num	op no	zone
GORDON CREEK U 1	19	140S	080E	4300730044	13707	State	GW	P			NWSE	ML-46539	N2560	FRSD
GORDON CREEK ST 19-14-8	19	140S	080E	4300730724	13251	State	GW	P			SENW	ML-27908	N2560	FRSD
BURNSIDE 29-14-8	29	140S	080E	4300730725	13250	Fee	GW	S			NWNE	FEE	N2560	FRSD
GORDON CREEK ST 19-14-8 (B)	19	140S	080E	4300730807	13708	State	GW	S			NESW	ML-27908	N2560	FRSD
GORDON CREEK ST 1-19-14-8	19	140S	080E	4300730874	13646	State	GW	P			SENE	ML-46539	N2560	FRSD
GORDON CREEK ST 4-18-14-8	18	140S	080E	4300730881	13665	State	GW	S			SESE	ML-46537	N2560	FRSD
GORDON CREEK ST 2-20-14-8	20	140S	080E	4300730883	13694	State	GW	S			NWNW	ML-46539	N2560	FRSD
GORDON CREEK ST 1A-18-14-8	18	140S	080E	4300730892	13709	State	GW	P			SENE	ML-46537	N2560	FRSD
GORDON CREEK ST 4-7-14-8	07	140S	080E	4300731230		State	GW	APD	TRUE		NESE	ML-46537	N2560	
GORDON CREEK ST 1-7-14-8	07	140S	080E	4300731231		State	GW	APD	TRUE		SENE	ML-46537	N2560	
GORDON CREEK ST 3-7-14-8	07	140S	080E	4300731232		State	GW	APD	TRUE		SESW	ML-46537	N2560	
GORDON CREEK ST 3-20-14-8	20	140S	080E	4300731233		State	GW	APD			SWSW	ML-46539	N2560	
GORDON CREEK ST 2-29-14-8	29	140S	080E	4300731234		State	GW	APD	TRUE		NWNW	ML-46539	N2560	
GORDON CREEK ST 1-30-14-8	30	140S	080E	4300731235		State	GW	APD	TRUE		NENE	ML-46539	N2560	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Gordon Creek State 4-7-14-8
API number:	4300731230
Location:	Qtr-Qtr: NESE Section: 7 Township: 14S Range: 8E
Company that filed original application:	Fellows Energy Ltd.
Date original permit was issued:	04/19/2007
Company that permit was issued to:	Fellows Energy Ltd.

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
✔	**Transfer approved Application for Permit to Drill to new operator**
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✔
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✔
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✔
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✔
Has the approved source of water for drilling changed?		✔
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✔
Is bonding still in place, which covers this proposed well? Bond No. RLB0010790	✔	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Steven L. Prince Title Operations Manager

Signature Steven L. Prince Date 09/27/2007

Representing (company name) Gordon Creek LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **GORDON CREEK, LLC**

Well Name: **GORDON CREEK ST 4-7-14-8**

Api No: **43-007-31230** Lease Type: **STATE**

Section **07** Township **14S** Range **08E** County **CARBON**

Drilling Contractor **ROCKY MOUNTAIN DRLG** RIG # **RATHOLE**

SPUDDED:

Date **12/06/07**

Time **2:00 PM**

How **DRY**

Drilling will Commence:

Reported by **TOM CUNNINGHAM**

Telephone # **(780) 723-0482**

Date **12/07/07** **Signed** **CHD**

FORM 6

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ENTITY ACTION FORM

Operator: Gordon Creek, LLC
Operator Account Number: N 3245
Address: 807 N. Pinewood Circle
city Price
state UT zip 84501
Phone Number: (435) 650-4492

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4300731230	Gordon Creek State 4-7-14-8	NESE	7	14S	8E	Carbon

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
A	99999	16604	12/6/2007	1/17/08

Comments: Conductor has been set, but the well drilling has not begun. CONFIDENTIAL
FRSD

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

ACTION CODES:
- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Steven L. Prince
Name (Please Print)
Steven L. Prince
Signature
Operations Manager
Title
1/2/2008
Date

RECEIVED
JAN 02 2008
DIV. OF OIL, GAS & MINING

(5/2000)

NOTICE OF LATE REPORTING
DRILLING & COMPLETION INFORMATION

Utah Oil and Gas Conservation General Rule R649-3-6 states that,

➤ Operators shall submit monthly status reports for each drilling well (including wells where drilling operations have been suspended).

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

➤ A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.

➤ Within 30 days after the completion or plugging of a well, the following shall be filed:

- Form 8, Well Completion or Recompletion Report and Log
- A copy of electric and radioactivity logs, if run
- A copy of drillstem test reports,
- A copy of formation water analyses, porosity, permeability or fluid saturation determinations
- A copy of core analyses, and lithologic logs or sample descriptions if compiled
- A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Gordon Creek, LLC Today's Date: 04/21/2008

Well:	API Number:	Drilling Commenced:
Gordon Creek ST 1-30-14-8	4300731235	11/02/2007
Gordon Creek ST 4-7-14-8 14S 8E 7	4300731230	12/06/2007

☐ List Attached

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260.

cc: Well File
Compliance File

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46537

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: NA

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Gordon Creek State 4-7-14-8

2. NAME OF OPERATOR: Gordon Creek, LLC

9. API NUMBER: 4300731230

3. ADDRESS OF OPERATOR: 807 N. Pinewood Circle CITY Price STATE UT ZIP 84501

PHONE NUMBER: (435) 650-4492

10. FIELD AND POOL, OR WILDCAT: Gordon Creek

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1424' FSL, 502' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 7 14S 8E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 12/6/2007	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Conductor Pipe was set on 12/6/2007. Due to extreme weather conditions, drilling of this well had to be postponed.

NAME (PLEASE PRINT) Steven L. Prince TITLE Manager, Gordon Creek LLC

SIGNATURE Steven L. Prince DATE 6/24/2008

(This space for State use only)

RECEIVED
JUN 24 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

UTAH DIVISION OF OIL, GAS AND MINING

NOTICE OF REPORTING PROBLEMS

Operator: Gordon Creek, LLC Account: N3245 Today's Date: 10/23/2008

Problems:

- [x] Late Report(s)
- [ ] Inaccurate Report(s)
- [ ] Incomplete Report(s)
- [ ] Other: _____

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

To avoid compliance action, these reporting problems should be resolved within 7 days.

Send reports to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Fax to:

(801) 359-3940 T 14S 8E Gordon Creek St 4-7-14-8

Type of Report	Month(s) of Problem Report
[ ] Production – Form 10 [ ] Disposition – Form 11 [ ] Gas Plant – Form 13 [ ] Enhanced Recovery – UIC Form 2 [ ] Injection – UIC Form 3 [ ] Other _____	

Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
[ ] Spud Notice – Form 9 [x] Drilling Reports – Form 9 [ ] Well Completion Report – Form 8 [ ] Other _____	Gordon Creek ST 4-7-14-8 [ ] List Attached	4300731230	12/06/2007

Description of Problem:

Per R649-3-6 2.4 The operator shall submit a monthly status report for each drilling well on Form 9, Sundry Notice and Reports on Wells. The report should include the well depth and a description of the operations conducted on the well during the month.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File
RAM
Well File
CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-46537

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
GORDON CREEK ST 4-7-14-8

2. NAME OF OPERATOR:
GORDON CREEK, LLC

9. API NUMBER:
43007312300000

3. ADDRESS OF OPERATOR:
1179 E Main #345 , Price, UT, 84501

PHONE NUMBER:
403 453-1608 Ext

9. FIELD and POOL or WILDCAT:
UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
1424 FSL 0502 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NESE Section: 07 Township: 14.0S Range: 08.0E Meridian: S

COUNTY:
CARBON

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 10/1/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	✓ CHANGE WELL NAME
	✓ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	✓ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Gordon Creek, LLC. requests the well status of OPS be changed to reflect our current plans for this well. We plan to move a drilling rig onto location and, utilizing the existing conductor casing string, drill a Ferron SS producing gas well to a final Total Depth of 3,807' as per the attached updated Drilling Program. It is hereby requested that the Well Name be changed to: GORDON CREEK ST SE-7-14-8

Approved by the Utah Division of Oil, Gas and Mining

Date: 09/26/2011

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Barry Brumwell	403 453-1608	Vice President-Operations
SIGNATURE		**DATE**
N/A		9/21/2011

RECEIVED Sep. 21, 2011

DRILLING PLAN and PROGRAM

Attached to UDOGM Form 3

GORDON CREEK, LLC.
SE-7-14-8
1,349.13' FSL & 586.13' FEL
NE/4 of SE/4 of Section 7-14S-8E
Carbon County, Utah

***** NOTE: AN APD FOR THIS WELL WAS APPLIED FOR AND APPROVED ON APRIL 19th, 2007 AND GRANTED AN API # OF 43-007-31230. THE LOCATION WAS CONSTRUCTED BUT THE WELL WAS NEVER DRILLED AND THAT APPLICATION HAS EXPIRED. THIS APPLICATION IS AN UPDATE TO THE EXPIRED APPLICATION.***

1. *SURFACE GEOLOGIC FORMATION*

Emery Sandstone Member of the Mancos Shale

2. *ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS*

Mancos Blue Gate Shale top:	1,433' KB
Lower Blue Gate Bentonite Marker:	3,202' KB
Ferron SS:	3,337' KB

3. *PROJECTED GAS & H_2O ZONES*

While no groundwater is expected to be encountered, groundwater *may* be encountered within the Emery Sandstone Member of the Mancos Shale. Any water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling". All indications of usable water will be reported.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones and prospectively valuable mineral deposits.

Surface casing will be tested to 500 psi and the Production casing will be tested to 1,500 psi, with a minimum of 1 psi/ft of the last casing string setting depth.

4. *PROPOSED CASING AND CEMENTING PROGRAMS*

Refer to EXHIBIT "A" for casing design information

RECEIVED Sep. 21, 2011

A. CASING PROGRAM

HOLE SIZE (in)	CASING SIZE (in)	WEIGHT (#/ft)	GRADE	JOINT	DEPTH SET (ft)
17	$12\,^{3}/_{4}$	40.5	H-40	ST&C	0 – 40
11	$8\,^{5}/_{8}$	24.00	J-55	ST&C	0 – 450
$7\,^{7}/_{8}$	$5\,^{1}/_{2}$	17.00	N-80	LT&C	0 – 3,807

B. CEMENTING PROGRAM

The $8\,^{5}/_{8}$" surface casing will be set and cemented full length with approximately 212 sacks of 0-1-0 Class "G" cement + 2% $CaCl_2$ + 0.25 #/sk of cellophane flakes mixed at 15.84 ppg (yield = 1.142 ft^3/sk); volume based on nominal hole size + 100% excess. The cement will be circulated back to surface. In the event that the cement is not circulated back to surface, a 1" top out job will be performed with 0-1-0 Class "G" cement + 2% $CaCl_2$ + 0.25 #/sk of cellophane flakes mixed at 15.84 ppg (yield = 1.142 ft^3/sk).

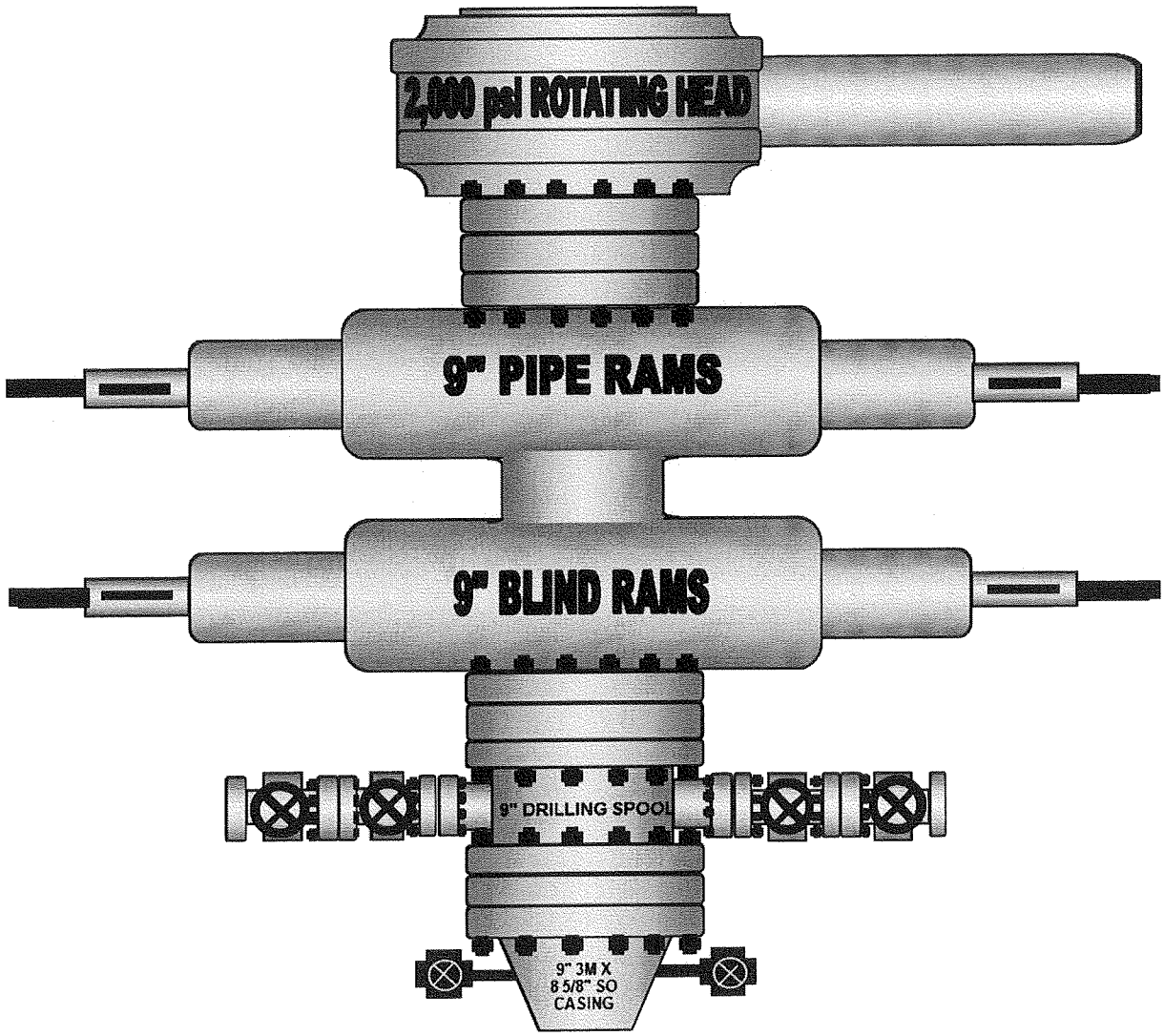
The 5 ½" production casing will be set and cemented full length using 331 sx of 0-1-0 "G" Light Weight cement incorporating 42% "SuperBall" centrospheres to lighten the cement density + 3% NaCl, 0.3% Air-out, 1.5% SFl-300, 0.2% SCR-2. The cement will be mixed at 10.7 ppg (yield = 2.69 ft3/sk); volume based on nominal hole size + 35% excess. The cement will be circulated back to surface.

THE FOLLOWING SHALL BE ENTERED INTO THE DRILLER'S LOG:

I. Blowout preventer pressure tests, including test pressures and results;
II. Blowout preventer tests for proper functioning;
III. Blowout prevention drills conducted;
IV. Casing run, including size, grade, weight, and depth set;
V. How the pipe was cemented, including amount of cement, type, whether cement was circulated back to surface, location of the cementing tools, etc.;
VI. Waiting on cement time for each casing string;
VII. Casing pressure tests after cementing, including test pressures and results.

5. *THE OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL*

Below is a schematic diagram of the blowout preventer equipment requirements for this drilling operation. A 9' X 3,000 psi double gate BOP will be used with a 2,000 psi Rotating Head utilized for air drilling operations. ALL BOPE will be pressure tested to the required operating pressures of each component. All tests will be recorded in the Driller's Report Book. The physical operation of each component of the BOP's will be checked on each trip.



6. THE TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATING FLUIDS / MUDS

0' – 450'	11" Surface Hole	Drill with air, will mud-up if necessary.
450' – TMD	$7\,^{7}/_{8}$" Main Hole	Drill with air, 500 psi @ 1500-2300 ft^3/min

Will "mud up" at Total Depth to run logs and casing. Will mud up sooner if hole conditions dictate. It is anticipated that drilling fluid densities of 8.3 – 8.7 #/gal will be utilized when "mudded up".

7. THE TESTING, LOGGING AND CORING PROGRAMS

Open hole logs consisting of a CNL-LDT-GR-GAL will be run from above the Blue Gate Shale to TMD. A DIL-GR-SP log will be run from TMD to surface.

ANY ANTICIPATED ABNORMAL PRESSURES or TEMPURATURES

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is approximately 1250 psi maximum. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

The well will be drilled between late September and the end of November, 2011. Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

a) prior to beginning construction;
b) prior to spudding;
c) prior to running any casing or BOP tests;
d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall IMMEDIATELY be reported to the Division of Oil, Gas & Mining.

RECEIVED Sep. 21, 2011

GORDON CREEK SE-7-14S-8E

NE/4 OF SE/4, 1,349.13' FSL + 586.13' FEL

DRILLED WITH AIR

THUNDERBIRD ENERGY

SURFACE LEASE #: ML-46537
MINERAL LEASE #: ML-46537
AFE: 11DRL014
WORKING INTEREST: 100%
RIG:
DRILL DAYS BELOW SURFACE CASING SHOE: 5

Survey Grd. Ele: 7,375.1'
Est. KB Elev: 7,387' 11.9' KB

VERTICAL WELL

8 .625" Casing Set @ ~450'

BOP'S 9", 3000 # CASING BOWL

11" Surface Hole

7.875" Main Hole

5.500" CASING SET AT 3,807'

TOPS	ft TVD
Emery Fm.	Sfc.
SURFACE CASING	450
BASE OF GROUNDWATER	*TBD*
MUD UP ONLY IF WATER INFLUX OCCURS OR TIGHT HOLE CONDITIONS OCCUR	
Begin taking samples on Geologists orders	
Blue Gate Shale Mbr **	**1,433'**
Lower Bluegate Bentonite Marker	**3,202'**
FERRON SS/COAL * (750 psi) AIR DRILL THROUGH ZONE IF POSSIBLE	3,337'
Tununk Shale	**3,749'**
* PRIMARY ZONE OF INT. ** SECONDARY ZONE	
TD	**3,807'**

EMERGENCY PLANNING ZONE SUMMARY
SWEET WELL: THUNDERBIRD"S CORPORATE EMERGENCY RESPONSE PLAN APPLIES

CASING DESIGN

	Interval (ft)	O.D. (inches)	#/ft	Grade	Thread	Burst (psi)	Collapse (psi)	Opt.Torque (ft lbs)
Surface:	0 - 450	8 5/8	24	J-55	ST&C	2,950	1,370	2,440
Main:	0 - 3,807'	5 1/2	17	N-80	LT&C	7,740	6,280	3,480

*ENSURE THAT MARKER JOINTS ARE PLACED IN THE CASING STRING OPPOSITE ANY PAY ZONE

TARGET: FERRON SANDSTONE/COAL; **CASING TO BE CUT 16" ABOVE CASING BOWL**

CEMENTING PROGRAM - Primary - Single Stage

	Bit Size (inches)	Cement	Additives	Yield (ft^3/sk)	Volume (sx)	% Excess	Cmt Top (ft)	Density (#/gal)
Surface:	11	0-1-0 "G"	2% $CaCl_2$ + Cellophane flakes	1.142	212.0	100	SFC	15.84
Main:	7 7/8	Superball 10.7	3% NaCl, 0.3% Air-out, 42% Superball, 1.5% SFI-300, 0.2% SCR-2	2.69	331.0	35	SFC	10.70

DRILLING FLUIDS

	Interval	Type	
Surface :	0 - 450	Water	Drill with water, mud up with gel chem if water influx occurs.
		Gel Chemical	Condition mud thoroughly prior to POOH to run/cement casing
Main:	450 - 3,100	AIR	MUD UP ONLY if water influx occurs or if TIGHT HOLE
	3,100-3,807	Gel Chemical	conditions become prevailant. MUD UP at ~ 3,100' to TD.

11" SURFACE HOLE

- **Spud with an approved water well/surface casing rig** and drill to surface TD of about 450 ft. Survey every 100'. Ensure that the surface hole deviation does not exceed 3 degrees. Set surface casing at least 50' below any water influx zone.

- **NOTE:** MUD UP with Gel Chemical mud system immediately if water influx becomes problematic. Refer to the Mud Program and the Cementing Program for futher information. Move rig off of location once surface casing s set.

7 7/8" MAIN HOLE: VERTICAL HOLE

- Move on conventional drilling rig and drill out with and AIR DRILL as far as possible with air. Survey every 300'. Ensure that deviation does not exceed 3 degrees. Notify Calgary operations immediately if a 3 degree deviation is exceeded.
- **TIGHT HOLE** is possible on connections. REAM HOLE at first indication of tight hole and attempt to continue to air drill.
- **COAL/SHALE SEAMS** can occur in the wellbore which may be faulted and unconsolidated resulting in sloughing hole conditions.
- **H_2S WILL NOT be encountered.**
- **MUD UP ONLY if water influx occurs OR if tight hole conditions become prevailant.**
- **OVER PRESSURE:** Generally, all zones in the wellbore should be underpressured (below normal water graidient) or have normal pressure gradients.
- **LOST CIRCULATION** should not occur.
- **FERRON SS/COAL PENTRATION** - ATTEMPT TO AIR DRILL THROUGH THE FERRON ZONE. WATER may be encountered upon penetration. Ensure good hole conditions are prevalent to penetrating the FERRON.
- **MUD UP** - switch to a Gel Chem drilling fluid system at ~3,100' OR if water/tight hole problems occur.
- **Mud Check** - prior to POOH for logging, condition the mud and check mud properties with mudman. **DO NOT POOH until the wellbore is circulating free of cuttings and the mud properties are optimal for logging.**

NOTE: Ensure the well is cemented to surface or that an abandonment program has been appproved by THUNDERBIRD.

SAMPLE REQUIREMENTS/ EVALUATION

T-BIRD	Begin taking 2 sets of samples every 10 feet at 2,640' to TD
GOVT:	As per regulations
Detection:	Gas detection/ PASON Mud Log as per Geologist's request.
Cores:	**No coring**
DST:	No DST's

LOGGING PROGRAM - NUMBER OF COPIES OF EACH LOG:		# of copies
DIL-GR-SP	T.D. to surface casing	4
CNL-LDT-GR-GAL	T.D. to 2,640'	4

Run a multi-arm caliper log to ensure correct calculation for cement volumes on casing or plugs.

RECEIVED Sept. 21, 2004

EXHIBIT "A"

CASING DESIGN
GORDON CREEK ST SE-7-14-8
PROJECTED TD: 3,807' KB

SURFACE CASING (0' – 450')

Diameter	$8\ ^{5}/_{8}$"
Interval	450' to Surface
Weight	24 #/ft
Grade	J-55
Coupling	ST&C

Burst Design

The recommended practice is to base on the burst rating of the casing string in psi to be at least numerically equal to 0.225 psi/ft times the setting depth in feet of the next casing string. The rating chosen was also intended to match the BOPE pressure rating and exceed the highest possible surface pressure of approximately 936 psig.

Burst required =	0.225 x 3,807	857 psig
Burst rating of casing string:	2,950 psi	
Safety factor =	***2,950 psi / 857 psi =***	***3.44***

Collapse Design

Collapse pressure is negligible on this surface string.

Tension Design

String weight in air	10,800 #
Tensile strength of joint	244,000 lbf
Safety factor of joint	22.6

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PRODUCTION CASING (0' – 3,807')

Diameter	5 ½"
Interval	4,161' to surface
Weight	17 #/ft
Grade	N-80
Coupling	LT&C

Burst Design

An internal pressure gradient of 0.4863 psi/ft has been used as a basis for these calculations.

Burst rating of casing string:	7,740 psi	
Burst rating required:	3,807' X 0.4863 =	1,851 psig
Safety factor =	***7,740 psi / 1,851 psi =***	***4.18***

Tension Design

1.6 Safety factor of top joint, neglecting buoyancy and without over pull.

Tensile rating of casing joint:	348,000 lbf	
String Weight:	3,807' X 17 #/ft =	64,719 lbf
Safety factor =	***348,000 lbf / 64,719 lbf =***	***5.38***

Collapse Design

Maximum anticipated mud weight is 10.0 ppg based on a mud gradient of 0.53 psi/ft.

Collapse rating of csg string:	6,280 psi	
Collapse rating required:	3,807' X 0.53 psi/ft =	2,017 psi
Safety factor =	***6,280 psi / 2,017 psi =***	***3.11***

Production Casing Design

Interval (ft)	Weight (#/ft)	Grade	S.F. Burst	S.F. Collapse	S.F. Tension
3,669' – 0'	17	N-80	4.18	5.38	3.11

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MULTI-POINT SURFACE USE PLAN

Attached to UDOGM Form 3

GORDON CREEK, LLC.
SE-7-14-8
1,349.13' FSL & 586.13' FEL
NE/4 of SE/4 of Section 7-14S-8E
Carbon County, Utah

1. *EXISTING ROADS*

a. We do not plan to change, alter or improve upon ANY existing State or County roads.
b. Existing roads will be maintained in the same or better condition.

2. *PLANNED ACCESS*

a. No new access is required, as this well was previously permitted and the access and location were built in accordance with that permit. The current route will be re-conditioned to ensure adequate access.
b. If the well is productive, the road will be maintained as necessary to prevent soil erosion and maintain year-round traffic. However, we may allow the access road to be gated and closed off during winter production operations and access the site with a snowmobile or other winter ATV.
c. Maximum Width: 24' travel surface with 27' base.
d. Maximum grade: 25%
e. Road culverts may be required. Surface water will be diverted around the well pad as necessary.
f. Any power lines and / or pipelines to/from the well will follow the proposed access route.

3. *LOCATION OF EXISTING WELLS*

a. As shown on the Civil Location Survey Plat for the well.

4. *LOCATION OF EXISTING and/or PROPOSED FACILITIES*

a. If the well is a producer, installation of required production facilities will follow the drilling and completion phase of well operations. Buried flow lines, water lines and electrical cable will follow the proposed access road and other existing access ROWs to the intersection with Thunderbird's main 12' pipeline corridor.
b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

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5. LOCATION AND TYPE OF WATER SUPPLY

a. All water to be used for drilling operations will be obtained from area water wells drilled and owned by Gordon Creek, LLC.
b. Water will be transported to location by truck over approved access roads.

6. SOURCE OF CONSTRUCTION MATERIALS

a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
b. No construction or surfacing materials will be taken from Federal / Indian lands.

7. METHODS FOR HANDLING WASTE DISPOSAL

a. As the well is expected to be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM Representative during pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
c. In the event that wellbore fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. ANCILLARY FACILITIES

a. We anticipate no need for ancillary facilities with the exception of a trailer to be located on the drill site.

9. WELLSITE LAYOUT

a. Gordon Creek, LLC. has reduced to surface lease size (area stripped and levelled) for this location to the smallest lease size possible to accommodate the required drilling rig and support equipment.
b. Any available topsoil will be removed from the location and stockpiled. The location of the rig, mud tanks, reserve and berm pits and all other drilling support equipment will be located as per common oilfield rig layouts.
b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
c. Access to the well pad will be as shown on the Civil Location Survey Plat for the well.
d. Natural runoff will be diverted around the well pad.

10. PLANS FOR RESTORATION OF SURFACE

a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to minimize possible erosion.
b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
d. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled in immediately upon release of the drilling rig from the location. If the well site is to be abandoned, all disturbed areas will be re-contoured to the natural terrain found prior to location construction.

11. SURFACE OWNERSHIP

a. The well site and access road are on and across lands originally owned through the State of Utah School and Institutional Trust Lands Administration and covered by Surface Use Agreement # ML-46537. ***Under this Surface Use Agreement AND the original APD Approval, this well location and access road were constructed and remain in a rig-ready state.*** Since the expiration of the original APD for this well, ownership of these lands have since been transferred to the State of Utah Department of Natural Resources, Division of Wildlife Resources, 1594 W. North Temple, Suite 2110, P.O. Box 146301, Salt Lake City, Utah, 84114-6301. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

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12. OTHER INFORMATION

a. The primary surface use is wildlife habitat. The nearest dwelling is approximately 12 Miles east (Price, Utah). The nearest live water is an unnamed natural spring located approximately ½ Mile East of the proposed well location.
b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
c. The back-slope and fore-slope will be constructed no steeper than 4:1.
d. All equipment and vehicles will be confined to the access road and well pad.
e. A complete copy of the approved Application for Permit to Drill (APD,) including all conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. COMPANY REPRESENTATIVE

Barry Brumwell, C.E.T.
Vice President, Operations
Gordon Creek LLC., a wholly owned subsidiary of
Thunderbird Energy Corp.
#550, 1010 – 1st Street S.W.
Calgary, Alberta, Canada
(403) 453-1608 (office)
(403) 818-0696 (mobile)
bbrumwell@thunderbirdenergy.com

14. CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Gordon Creek, LLC. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9/20/2011
DATE

Barry Brumwell, C.E.T.
Vice President, Operations
Gordon Creek LLC. / Thunderbird Energy Inc.

RECEIVED Sep. 21, 2011

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company **GORDON CREEK, LLC**

Well Name: **GORDON CREEK ST SE 7-14-8**

Api No: **43-007-31230** Lease Type **STATE**

Section **07** Township **14S** Range **08E** County **CARBON**

Drilling Contractor _____ RIG # _____

SPUDDED:

Date **10/25/2011**

Time _____

How **ROTARY**

Drilling will Commence: _____

Reported by **MIKE OF THUNDERBIRD**

Telephone # **(406) 853-2956**

Date **10/25/2011** **Signed** **CHD**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-46537

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
GORDON CREEK ST SE 7-14-8

2. NAME OF OPERATOR:
GORDON CREEK, LLC

9. API NUMBER:
43007312300000

3. ADDRESS OF OPERATOR:
1179 E Main #345 , Price, UT, 84501

PHONE NUMBER:
403 453-1608 Ext

9. FIELD and POOL or WILDCAT:
UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
1424 FSL 0502 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NESE Section: 07 Township: 14.0S Range: 08.0E Meridian: S

COUNTY:
CARBON

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 10/15/2011	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
☐ SPUD REPORT Date of Spud:	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
☐ DRILLING REPORT Report Date:	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: Location Exemption

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

In reference to the State of Utah Oil & Gas Conservation Rule # R649-3-3, the well GORDON CREEK ST SE-7-14-8 is an exception to the rule of the location and siting of wells due to erroneous surveying techniques used when the well was originally surveyed. An updated survey now shows the well to be at different coordinates than what is officially listed for the well in DOGM records. The new coordinates for the well are: 1,349.13' FSL, 586.13' FEL, NE/SE Section 7-14S-8E, SLB&M. Please refer to the attached Exemption Letter from Gordon Creek, LLC. and a letter from the surveyor, Talon Resources Inc. explaining the reasoning for the error and the new, properly surveyed coordinates for the well. There are no additional lease owners with 460' of the well location based on the updated coordinates It is hereby requested that the Well Name be changed to: GORDON CREEK ST SE-7-14-8

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Barry Brumwell	403 453-1608	Vice President-Operations
SIGNATURE		**DATE**
N/A		9/28/2011

RECEIVED Sep. 28, 2011

THUNDERBIRD
ENERGY

October 27th, 2011

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

ATTENTION: Mr. Dustin Doucet, Petroleum Engineer

Re: ***LOCATION EXEMPTION LETTER - GORDON CREEK ST SE-7-14-8 (API #43007312300000)***

Dustin;

In reference to the State of Utah Oil & Gas Conservation Rule # R649-3-3, the well GORDON CREEK ST SE-7-14-8 is an exception to the rule of the location and siting of wells due to erroneous surveying techniques used when the well was originally surveyed. An updated survey now shows the well to be at different coordinates than what is officially listed for the well in DOGM records. Please refer to the attached letter from the surveyor, Talon Resources Inc. explaining the reasoning for the error and the new, properly surveyed coordinates for the well.

The new coordinates for the well are: 1,349.13' FSL, 586.13' FEL, NE/SE Section 7-14S-8E, SLB&M. There are no additional lease owners with 460' of the well location based on the updated coordinates.

If you have any further questions regarding this matter, please don't hesitate to contact me by telephone at (403) 453-1608 or via email at bbrumwell@thunderbirdenergy.com.

Respectfully;

Barry Brumwell, C.E.T.
Vice President of Operations
Thunderbird Energy
Gordon Creek, LLC.

RECEIVED Sep. 28, 2011

Talon Resources, Inc.

To Whom It May Concern,

Subject: T14S, R8E - Section 7
Well SE-7-14-8
Carbon County, Utah

In January of 2003 this section was surveyed to locate a Klabzuba Oil & Gas well (4-7-14-8). During the survey process in January of 03, the NW corner of section 7 was searched for but not found (due to snow cover). The SE corner of section 7 was searched for but not found. (Due to snow cover).

Without the NW and SE section corners being found, the GLO Bearing was used and the drill hole location GCS 4-7-14-8 was calculated. The calculated bearing of N89°49'E and a distance of 5253.60' was used for the south line of section 7. With this calculated bearing and distance, the well hole location calculated out as 502.24' from the East line and 1,424.07' from the South line.

In August of 2011, the same well bore location in section 7 was surveyed for Thunderbird Energy. This time, the well pad had been constructed and the surface casing was installed. During this survey process, the NW section corner of section 7 was found and the NE section corner of section 7 was also found (a stone) and the SW and SE section corners of section 7 were found (brass caps). In the 2011 survey, all 4 section corners were found and in the 2003 survey, only the NE and SW corners were found.

With all 4 corners of section 7 now being located, the drill bore was not calculated but surveyed and drafted using the exact bearings of section 7. The new bearing and distance for the south line of section 7 is N88° 49'25"E - 5327.70' and the 2003 bearing and distance was N89°49'E - 5253.50'. The new bearing and distance for the east line of section 7 is N00°15'43"E – 5389.50' and the 2003 bearing and distance was assumed N00°00'00"E (due north and south).

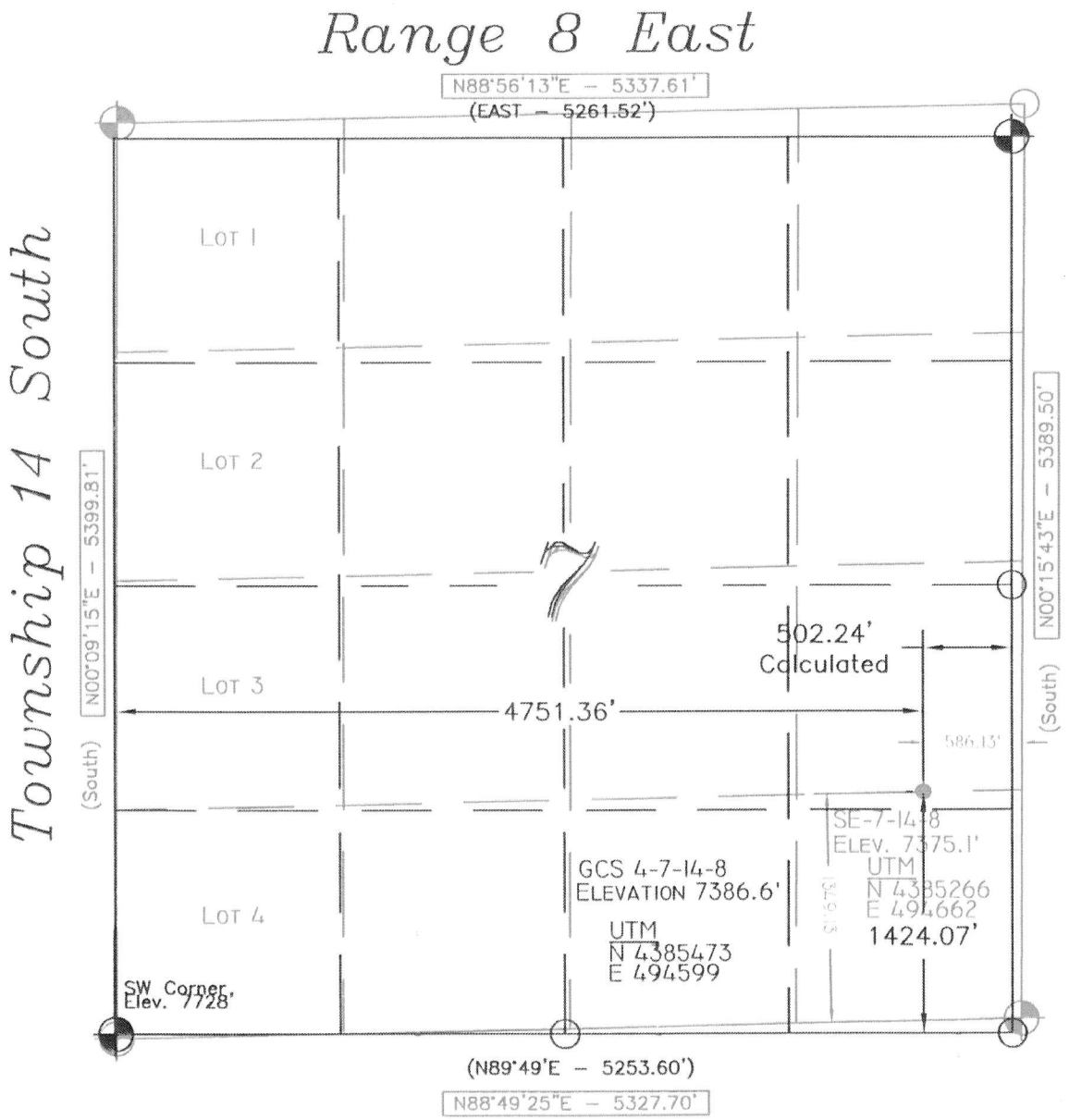
With the location of all of the section 7 section corners, a more accurate survey was conducted and the drill hole location did not have to be calculated based on the 1900 GLO survey. The drill hole is in fact in the same exact point on both the 2003 and 2011 surveys, but the distances from the East and South lines are different with the 2011 survey being the most accurate and correct.

See attached drawings: Overlay drawing, Red=2011 Survey Black=2003 Survey

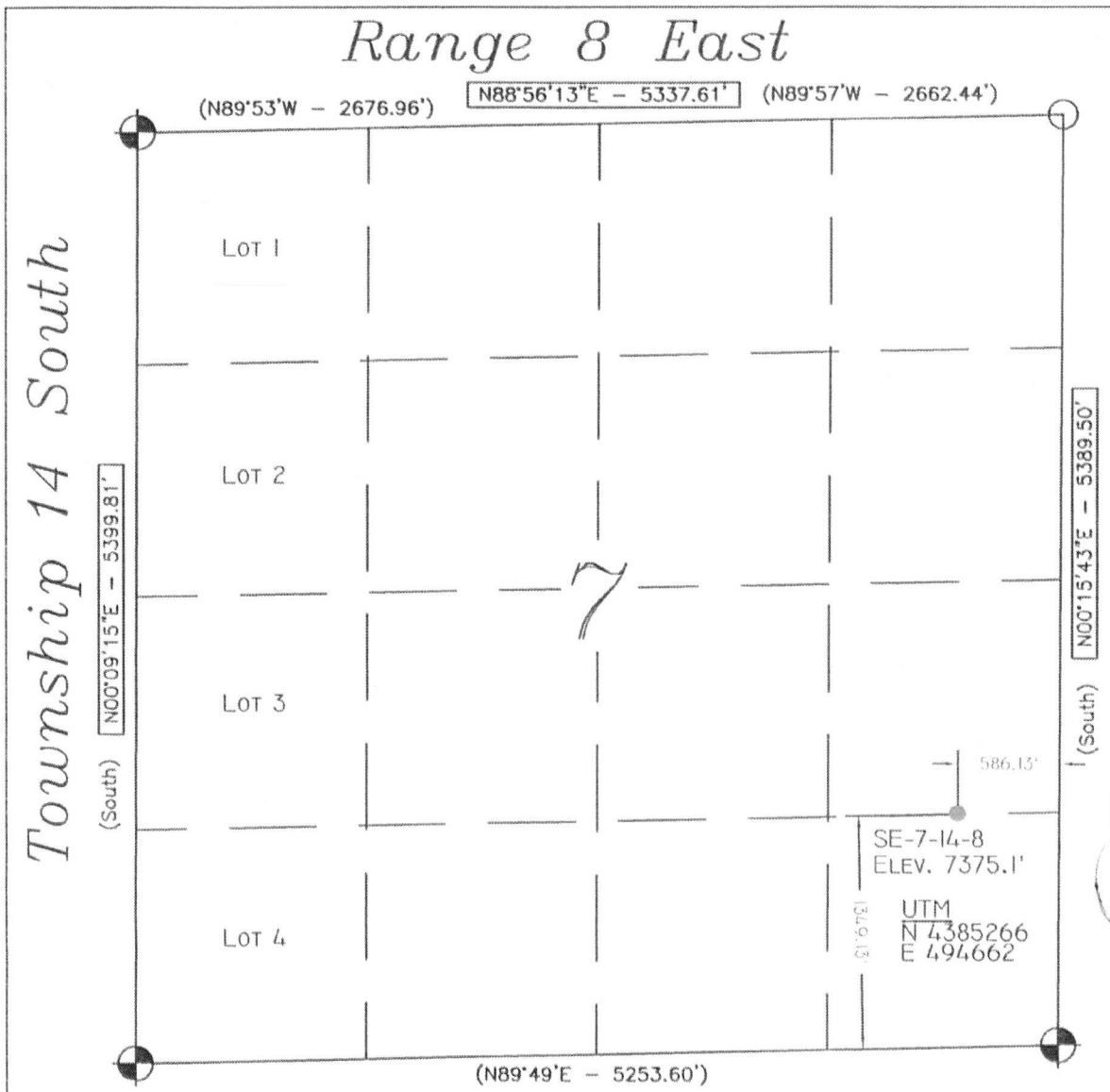
Signed: _____
John S. Huefner

P.O. Box 1230 • Huntington, Utah 84528
Telephone: (435) 687-5310 • Fax (435) 687-5311
Email: talon@etv.net

RECEIVED Sep. 28, 2011


Range 8 East
Township 14 South
N88°56'13"E – 5337.61'
(EAST – 5261.52')
LOT 1
LOT 2
LOT 3
LOT 4
7
N00°09'15"E – 5399.81'
(South)
N00°15'43"E – 5389.50'
(South)
502.24'
Calculated
4751.36'
586.13'
SE-7-14-8
ELEV. 7375.1'
UTM
N 4385266
E 494662
1424.07'
GCS 4-7-14-8
ELEVATION 7386.6'
UTM
N 4385473
E 494599
SW Corner,
Elev. 7728'
(N89°49'E – 5253.60')
N88°49'25"E – 5327.70'

Sep. 28, 2011



Legend

- Drill Hole Location
- Brass Cap (Found)
- Stone (Found)
- △ Calculated Corner
- ( ) GLO

GPS Measured

NOTES:

1. Dimensions are GPS measured unless noted otherwise.
2. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°37'08.468" N
111°03'43.882" W

Location:
The well location was determined using a Trimble 5700 GPS survey grade unit.

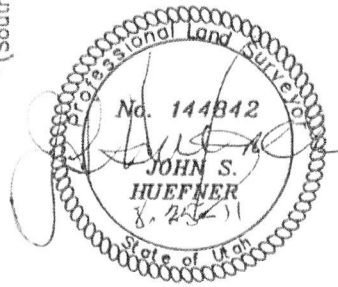
Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 7400.00' being at the Northeast Section Corner of Section 6, Township 14 South, Range 8 East, Salt Lake Base and Meridian, as shown on the Jump Creek Quadrangle 7.5 minute series map.

Description of Location:
Proposed Drill Hole located in the NE/4 SE/4 of Section 7, T14S, R8E, S.L.B.&M., being North 1349.13' from South Line and West 586.13' from East Line of Section 7, T14S, R8E, Salt Lake Base and Meridian.

Surveyor's Certificate:
I, John S. Huefner, a Professional Land Surveyor, holding Certificate No. 144842 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000ft

TALON RESOURCES, INC.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonsetv.net

THUNDERBIRD ENERGY

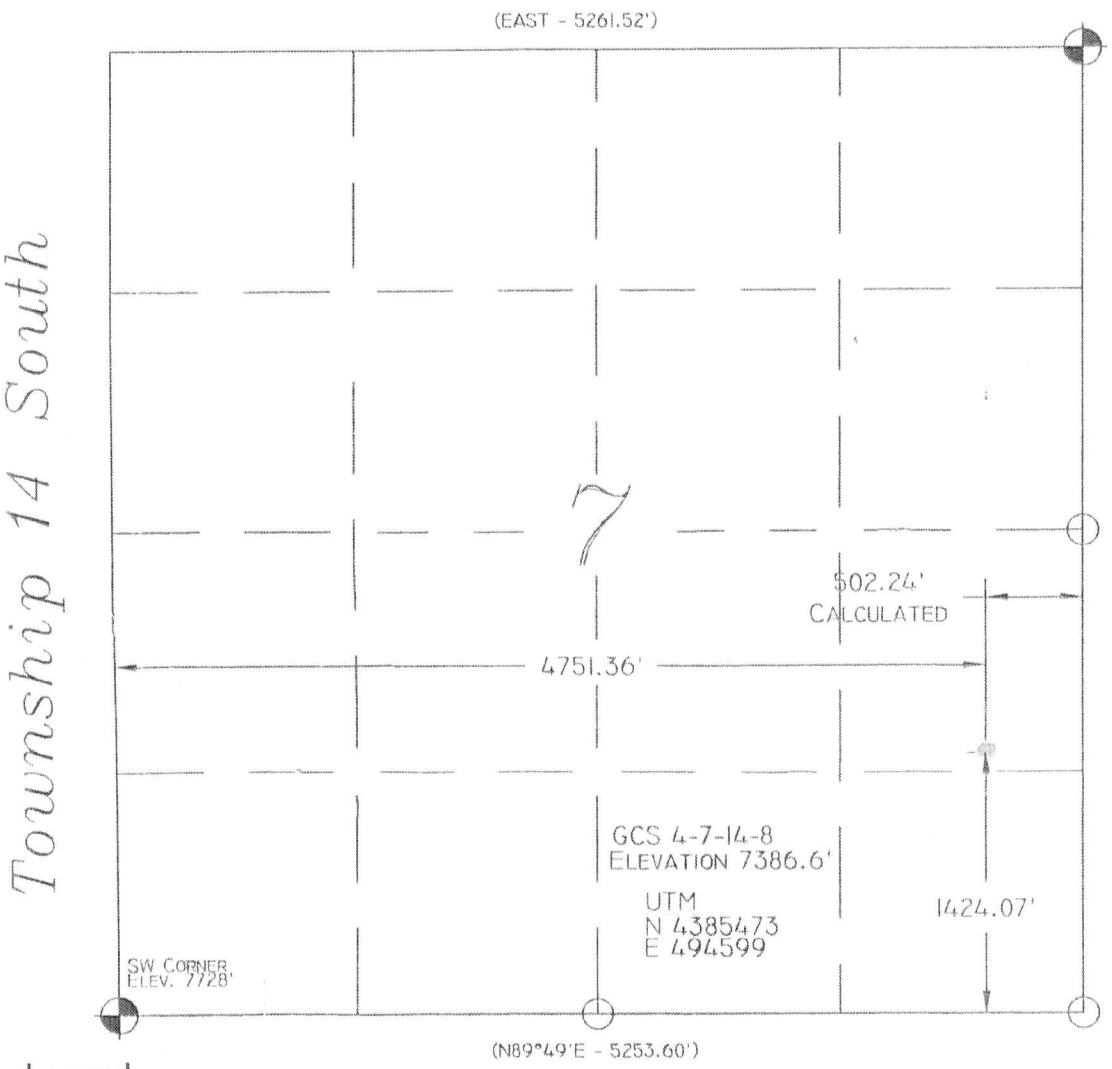
SE-7-14-8
Section 7, T14S, R8E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: A.P.C./J.S.H.
Drawing No. A-1	Date: 8/25/11
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 4887

Sep. 28, 2011

Range 8 East

Township 14 South



Legend

- Drill Hole Location
- Brass Cap (Found)
- Brass Cap, Searched for, but not found)
- Calculated Corner
- ( ) GLO

GPS Measured

NOTES:
1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in WGS 84 Datum.

LAT / LONG
39°37'08"N
111°03'47"W

Location:
The well location was determined using a Trimble 4700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 7728' being at the Southwest Section Corner of Section 7, Township 14 South, Range 8 East, Salt Lake Base and Meridian, as shown on the Wattis Quadrangle 7.5 minute series map.

Description of Location:
Proposed Drill Hole located in the NE1/4 SE1/4 of Section 7, T14S, R8E, S.L.B.&M., being 1424.07' North and 4751.36' East from the Southwest Corner of Section 7, T14S, R8E, Salt Lake Base & Meridian.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

REGISTERED LAND SURVEYOR
2-24-03
No. 146652
Albert J. Spensko
STATE OF UTAH

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

Talon Resources, Inc.
195 N. 100 W., P.O. Box 1230
Huntington, Utah 84528
Ph: 435-687-5310
Fax: 435-687-5311

KLABZUBA OIL & GAS
GCS 4-7-14-8
Section 7, T14S, R8E, S.L.B.&M.
Carbon County, Utah

Drawn By:	Checked By:
J. STANSFIELD	L.W.J. / A.J.S.
Drawing No.	Date:
A-1	01/30/03
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 876

Sep. 28, 2011

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46537
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER: GORDON CREEK ST SE-7-14-8
9. API NUMBER: 4300731230
10 FIELD AND POOL, OR WILDCAT: UNDESIGNATED

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER PLUGGED & ABD

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

2. NAME OF OPERATOR: GORDON CREEK, LLC.

3. ADDRESS OF OPERATOR: 1179 E MAIN, #345 CITY PRICE STATE UT ZIP 84501 PHONE NUMBER: (435) 820-1489

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1424.07' FSL 502.24 FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH: 1424.07' FSL 502.24 FEL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 7 14S 8E S
12. COUNTY: CARBON
13. STATE: UTAH

14. DATE SPUDDED: 10/25/2011
15. DATE T.D. REACHED: 11/3/2011
16. DATE COMPLETED: 11/3/2011 ABANDONED ☑ READY TO PRODUCE ☐
17. ELEVATIONS (DF, RKB, RT, GL): 7375.1' RKB

18. TOTAL DEPTH: MD 1,195 TVD 1,195
19. PLUG BACK T.D.: MD 0 TVD 0
20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
NONE

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
	20" LP	LINE PIPE	0	45		G		0	
11"	8 5/8" J-55	24	0	467		G 300	61	~~UNKNOWN~~ SURFACE	
7 7/8	N/A								

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
NONE								

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) NONE				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
NONE	

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: P&A

(5/2000) **(CONTINUED ON BACK)**

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31. INITIAL PRODUCTION **INTERVAL A (As shown in item #26)**

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

PLEASE REFER TO FORM 9 SUBMITTED FOR COMPLETE PLUGGING PROCEDURE FOLLOWED

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) BARRY BRUMWELL, C.E.T. TITLE VICE PRESIDENT of OPERATIONS

SIGNATURE  DATE 11/11/2011

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-11-5-1:30
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 05-Nov-11 Depth 1195 Metres last 24 hr 0 Rotating hrs 0

Activity at report time Final Report

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 Vis 27 WL Gels Solids % PV YP pH

Oil % Sand % Cake PPMCL PPMCa

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	2	3	BIT WT	RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	B	G
4	7 7/8	Varel	#######				28	85	1186	341.00	17.00	20.00	1	0	1
5	7 7/8	RMB	3E+05	24	24	24	1	60	1194	0.00	1.00	0.00	1	1	1
3	7 7/8						6	40	686	182.00	7.00	26.00			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	SPM	LINER	m³/MIN	ANN. VEL. DP	DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm				250psi	
L&J F500		85	6	234					285
L&J F500		85	6	234					

DEVIATION SURVEYS

° at m	° at m	° at m	° at m
° at m	° at m	° at m	° at m
° at m	° at m	° at m	° at m
° at m	° at m	° at m	° at m

MUD & CHEMICALS ADDED

37sacks of gel 9 sacks of fibre 8 sacks flow seal

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling		
2. Trips	1.50	
3. Rig Service		
4. Deviation Surveys		
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation	0.50	
8. Rig Repair		
9. Run Casing & Cement	0.50	
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on: cement	3.00	
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	5.50	0.00

REMARKS

Circulate pipe clean (1/2hr) cement 2nd plug 15.8ppg 3% CACL 1/4# Celloflake 24.3bbls 119 sks (1/2hr) Trip out of hole 19jts.(1/2hr) WOC (3hr) Trip in hole and tag 2nd plug a t 388' 12.5k# weight on cement, (1/2hr) Trip out to 50' to and pump 3rd plug from 50 ft to surface (1/2hr)

COSTS

DAILY $32,987

CUMMULATIVE $331,314

SUPERVISOR Michael Reis

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DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-11-4-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 04-Nov-11 Depth 1195 Metres last 24 hr 0 Rotating hrs 0

Activity at report time Tripping out of to 600 ft to pump second plug

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 Vis 27 WL Gels Solids % PV YP pH

Oil % Sand % Cake PPMCL PPMCa

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	2	3	BIT WT	RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	B	G
4	7 7/8	Varel	#######				28	85	1186	341.00	17.00	20.00	1	0	1
5	7 7/8	RMB	3E+05	24	24	24	1	60	1194	0.00	1.00	0.00	1	1	1
3	7 7/8						6	40	686	182.00	7.00	26.00			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	SPM	LINER	m³/MIN	ANN. VEL. DP	DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm					250psi
L&J F500		85	6	234					285
L&J F500		85	6	234					

DEVIATION SURVEYS

° at m	° at m	° at m	° at m
° at m	° at m	° at m	° at m
° at m	° at m	° at m	° at m
° at m	° at m	° at m	° at m

MUD & CHEMICALS ADDED

37sacks of gel 9 sacks of fibre 8 sacks flow seal

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
7				
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling		
2. Trips	3.50	
3. Rig Service		
4. Deviation Surveys		
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation		
8. Rig Repair		
9. Run Casing & Cement	2.50	
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on: cementers	18.00	
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

Circulate and condition mud and wait on cementers(18hrs)
Rig up Superior and hold safety meeting (1.25hrs)
Cement 1st plug 15.8ppg 3%CACL 1/4# celloflake 60 sks 12 bbls
(1/2hr) trip out 15 jts and clear pipe(1/2hr) Wait on Cement(1 1/2hr)
Tih hole 50' above plug (1/2hr) tih tag 1st plug at 1067' (1hr)
Tooh to 600ft to set plug #2 (1/2)

COSTS

DAILY $15,045
CUMMULATIVE $298,327

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-11-3-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 03-Nov-11 Depth 1195 Metres last 24 hr 0 Rotating hrs 0

Activity at report time Waiting on Superior to plug well

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 Vis 27 WL Gels Solids % PV YP pH

Oil % Sand % Cake PPMCL PPMCa

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	2	3	BIT WT	RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	B	G
4	7 7/8	Varel	#######				28	85	1186	341.00	17.00	20.00	1	0	1
5	7 7/8	RMB	3E+05	24	24	24	1	60	1194	0.00	1.00	0.00	1	1	1
3	7 7/8						6	40	686	182.00	7.00	26.00			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	SPM	LINER	m³/MIN	ANN. VEL. DP	DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm					250psi
L&J F500		85	6	234					285
L&J F500		85	6	234					

DEVIATION SURVEYS

°	at	m	°	at	m
°	at	m	°	at	m
°	at	m	°	at	m
°	at	m	°	at	m

MUD & CHEMICALS ADDED

37sacks of gel 9 sacks of fibre 8 sacks flow seal

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
7				
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling		
2. Trips	9.00	
3. Rig Service		
4. Deviation Surveys		
5. Ream & Cond. Hole	2.00	
6. Mix & Coud. Mud		
7. Circulation		
8. Rig Repair	5.00	
9. Run Casing & Cement		
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on: on orders & cem	8.00	
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

Wait on bit sub (5hrs.) Make up bha(1/2hr)Trip in hole with bit(2.75hr
Circulate and wash and ream to bottom(2hrs) Tooh to plug well(2.75
Wait on orders (4 1/2) TIH open ended(3hrs) Circulate hole open ended and pump gel and lcm sweeps(4hrs).
When tagged bottom had torque issues if put more than 1.5k on bit would stall top drive, so called was made to Barry to determine next steps. Reamed for 1 hr and sisn't make 1 inch.

COSTS

DAILY		$15,045
CUMMULATIVE		$283,282

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-11-2-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST **LOCATION** SE 7-14-8

Day 02-Nov-11 **Depth** 1195 **Metres last 24 hr** 1 **Rotating hrs** 0

Activity at report time Waiting on bit sub

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt	8.3	**Vis**	27	**WL**		**Gels**		**Solids**	%	**PV**	**YP**	**pH**
Oil	%	**Sand**	%	**Cake**		**PPMCL**		**PPMCa**				

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	2	3	BIT WT	RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	B	G
4	7 7/8	Varel	#######				28	85	1186	341.00	17.00	20.00	1	0	1
5	7 7/8	RMB	3E+05	24	24	24									
3	7 7/8						6	40	686	182.00	7.00	26.00			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	SPM	LINER	m³/MIN	ANN. VEL. DP	DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm				250psi	
L&J F500		85	6	234					285
L&J F500		85	6	234					

DEVIATION SURVEYS

°	at	m	°	at	m
°	at	m	°	at	m
°	at	m	°	at	m
°	at	m	°	at	m

MUD & CHEMICALS ADDED

40 sacks of gel 24 sacks of fibre

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
		7.875	1.00	1
6 1/4	2.50	6.250	2.00	1
6- 6 1/4 drill collars	2.50	6.250	182.91	6
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling		
2. Trips		
3. Rig Service	1.00	
4. Deviation Surveys		
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation		
8. Rig Repair		
9. Run Casing & Cement		
10. Fishing	18.00	
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on: bit sub	2.00	
15. Nipple Up & Test BOPS	3.00	
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

Trip our of hole, retrieved softball size formation rock, wait on flat bottom mill,(5hrs) trip in hole w/ flat bottom mill, Mill on fish from 1193ft to 1195ft. Had high torque issues and problems with formation falling in. Smoothed out and drilled 1 ft past location of cones. TOH to check mill and junk sub, Junk sub full of marble size formtion rocks and some steel pieces. Change from blooie line to flow line to mudpits. Rig service rig and wrangler. Wait on bit sub due to connection at bit breaking off in three piesces

COSTS

DAILY		$42,344
CUMMULATIVE		$268,237

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-11-1-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 01-Nov-11 Depth 1186 Metres last 24 hr 0 Rotating hrs

Activity at report time Tripping out of hole with finger basket

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 Vis 27 WL Gels Solids % PV YP pH

Oil % Sand % Cake PPMCL PPMCa

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	2	3	BIT WT	RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	B	G
4	7 7/8	Varel	#######				28	85	1186	341.00	17.00	20.00	1	0	1
2	7 7/8	Varel	1E+05	24	24	24	5	40	511	35.00	7.25	46.60			
3	7 7/8						6	40	686	182.00	7.00	26.00			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	SPM	LINER	m³/MIN	ANN. VEL. DP	DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm					250psi
L&J F500		85	6	234					285
L&J F500		85	6	234					

DEVIATION SURVEYS

2 °	at 1000 m	°	at m		
°	at m	°	at m		
°	at m	°	at m		
°	at m	°	at m		

MUD & CHEMICALS ADDED

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
		7.875	1.00	1
	2.50	6.250	2.00	1
6- 6 1/4 drill collars	2.50	6.250	182.91	6
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling		
2. Trips		
3. Rig Service		
4. Deviation Surveys		
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation		
8. Rig Repair		
9. Run Casing & Cement		
10. Fishing	24.00	
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on:		
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

TOOH, WAIT ON FISHING TOOLS(5 HRS), MAKE UP MAGNET AND JARS AND COOLARS AND TIH, WORK MAGNET ON BTM TOOH WITH MAGNET, A FEW TINY PIECES OF STEEL AND COUPLE BALL BEARINGS. WAIT ON RIGHT CROSSOVER SUB (4 HRS) MAKE UP BHA WITH FINGER BASKET AND TRIP IN HOLE. FISHING WITH FINGER BASKET AND MILL 6" AND TOOH 1 PIECE OF FROMATION WAS IN FINGER BASKET ABOUT THE SIZE OF A SOFTBALL.

COSTS

DAILY $11,705

CUMMULATIVE $236,953

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-10-31-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 31-Oct-11 Depth 1186 Metres last 24 hr 330 Rotating hrs 17

Activity at report time Tripping out of hole for bit

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 Vis 27 WL ____ Gels ____ Solids ____ % PV ____ YP ____ pH ____

Oil ____ % Sand ____ % Cake ____ PPMCL ____ PPMCa ____

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	JETS mm 2	JETS mm 3	BIT WT	BIT RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	Dull Cond. B	Dull Cond. G
4	7 7/8	Varel	#######				28	85	1186	341.00	17.00	20.00	1	0	1
2	7 7/8	Varel	1E+05	24	24	24	5	40	511	35.00	7.25	46.60			
3	7 7/8						6	40	686	182.00	7.00	26.00			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	PUMP SPM	PUMP LINER	PUMP m³/MIN	ANN. VEL. DP	ANN. VEL. DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm				250psi	
L&J F500	7 1/2	85	6	234					285
L&J F500	7 1/2	85	6	234					

DEVIATION SURVEYS

2 ° at 1000 m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

MUD & CHEMICALS ADDED

24 SKS OF GEL, 20 sacks of fiber seal

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
7 7/8 ,ILL TOOTH		7.875	1.00	1
Bit Sub	2.50	6.250	2.00	1
6- 6 1/4 drill collars	2.50	6.250	182.91	6
				0
				0

REMARKS

TOOH FOR BIT/ POOR ROP, X/O BIT AND TIH, FIX PIPE
WRANGLER (1HR) TIH, ROTARY DRILL F/845FT TO 1186FT.
SURVEY AT 1003 2DEG, TOOH F/ TORQUE PROBLEMS.
FOUND BIT TO HAVE ALL CONES BROKEN OFF AT THE
SHANKS.

COSTS

DAILY $11,705

CUMMULATIVE $225,248

SUPERVISOR Michael Reis

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling	17.00	
2. Trips	5.50	
3. Rig Service		
4. Deviation Surveys	0.50	
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation		
8. Rig Repair	1.00	
9. Run Casing & Cement		
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on:		
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	24.00	0.00

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-10-30-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST **LOCATION** SE 7-14-8

Day 30-Oct-11 **Depth** 844 **Metres last 24 hr** 158 **Rotating hrs** 8.5

Activity at report time Tripping out of hole for bit

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 **Vis** 27 **WL** **Gels** **Solids** % **PV** **YP** **pH**

Oil % **Sand** % **Cake** **PPMCL** **PPMCa**

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	JETS mm 2	JETS mm 3	BIT WT	BIT RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	Dull Cond. B	Dull Cond. G
1	11	Precision	511168rr11				6	40	476	476.00	7.00	68.00	1	0	1
2	7 7/8	Varel	1E+05	24	24	24	5	40	511	35.00	7.25	46.60			
3	7 7/8	Precision					6	40	686	182.00	7.00	26.00			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	PUMP SPM	PUMP LINER	PUMP m³/MIN	ANN. VEL. DP	ANN. VEL. DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm				250psi	
L&J F500	7 1/2	85	6	234					285
L&J F500	7 1/2	85	6	234					

DEVIATION SURVEYS

2.75 °	at 835 m	°	at m		
°	at m	°	at m		
°	at m	°	at m		
°	at m	°	at m		

MUD & CHEMICALS ADDED

8 SKS OF GEL

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
7 7/8 ,ILL TOOTH		7.875	1.00	1
Bit Sub	2.50	6.250	2.00	1
6- 6 1/4 drill collars	2.50	6.250	182.91	6
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling	8.50	
2. Trips	3.25	
3. Rig Service	2.00	
4. Deviation Surveys	0.25	
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation		
8. Rig Repair		
9. Run Casing & Cement	0.75	
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on: CEMENT	5.00	
15. Nipple Up & Test BOPS		
16. Drilling Out	4.25	
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

TRIPPED IN HOLE 8:30, Rigged up and try plugging back water zone at 533'. Pumped 100 sks 20.5bbls of 15.8# cement at 2bbls/min Displaced hole with 10 bbls. Fresh water. Tooh, make up bha and wait 5 hrs on cement. Trip back in hole tag cement at 472ft. Drill out cement and get water flow again. Drill from 686ft to 844ft SURVEY, TOOH F/ BIT LACK OF ROP.

COSTS

DAILY $17,112

CUMMULATIVE $214,099

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-10-29-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 29-Oct-11 Depth 686 Metres last 24 hr 210 Rotating hrs 7

Activity at report time Trip in hole to check for cement plug

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt ____ Vis ____ WL ____ Gels ____ Solids ____ % PV ____ YP ____ pH ____

Oil ____ % Sand ____ % Cake ____ PPMCL ____ PPMCa ____

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	JETS mm 2	JETS mm 3	BIT WT	BIT RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	Dull Cond. B	Dull Cond. G
1	11	Precision	511168rr11				6	40	476	476.00	7.00	68.00	1	0	1
2	7 7/8	Varel	1E+05	24	24	24	5	40	511	35.00	7.25	46.60			
3	7 7/8	Precision					6	40	686	182.00	7.00	26.00			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	PUMP SPM	PUMP LINER	PUMP m³/MIN	ANN. VEL. DP	ANN. VEL. DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm					250psi

DEVIATION SURVEYS

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

MUD & CHEMICALS ADDED

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
7 7/8 precision air hammer		7.875	4.50	1
Bit Sub	2.50	6.250	2.00	1
6- 6 1/4 drill collars	2.50	6.250	182.91	6
				0
				0

REMARKS

P/U HAMMER AND TRIP IN HOLE. Air/dust drill F/487ft to 598ft
Service rig and Air/mist drill from 598ft to 685ft. Hit water at 518ft.
Making about 250 gals/min and made decision to stop drilling. Blow
hole clean and trip out and lay down bha and trip back in open ende
strap pipe to 470 ft. Service rig and wait on Superior to show. Pumpe
50sks of 15.8# Class G 3%CACL 1/4# celloflake(when breaking
conn on suck) TOOH, WOC, TIH (NO TAG CEMENT) PUMP 50 SKS
SAME CEMENT AGAIN ON SUCK, TOOH TIH

COSTS

DAILY		$14,000
CUMMULATIVE		$200,754

SUPERVISOR Michael Reis

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling	7.00	
2. Trips	11.25	
3. Rig Service	0.75	
4. Deviation Surveys		
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation	0.75	
8. Rig Repair		
9. Run Casing & Cement	0.75	
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on:	3.50	
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	24.00	0.00

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-10-28-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 28-Oct-11 Depth 511 Metres last 24 hr 35 Rotating hrs 0.75

Activity at report time Trip out of hole for bit.

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt ____ Vis ____ WL ____ Gels ____ Solids ____ % PV ____ YP ____ pH ____

Oil ____ % Sand ____ % Cake ____ PPMCL ____ PPMCa ____

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	JETS mm 2	JETS mm 3	BIT WT	BIT RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	Dull Cond. B	Dull Cond. G
1	11	Precision	511168rr11				6	40	476	476.00	7.00	68.00	1	0	1
2	7 7/8	Varel	1E+05	24	24	24	5	40	511	35.00	7.25	46.60			

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	PUMP SPM	PUMP LINER	PUMP m³/MIN	ANN. VEL. DP	ANN. VEL. DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm				250psi	

DEVIATION SURVEYS

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

MUD & CHEMICALS ADDED

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
7 7/8 mill tooth bit		7.875	1.00	1
Bit Sub	2.50	6.250	2.00	1
6- 6 1/4 drill collars	2.50	6.250	182.91	6
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling	0.75	
2. Trips	3.00	
3. Rig Service	6.75	
4. Deviation Surveys		
5. Ream & Cond. Hole	1.00	
6. Mix & Cond. Mud		
7. Circulation	0.50	
8. Rig Repair		
9. Run Casing & Cement		
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on:		
15. Nipple Up & Test BOPS		
16. Drilling Out	7.00	
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out	5.00	
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

Rig up blooie line(4hrs) make up bha and run in hole, tag green cement at 45ft. Install rotating head insert, fix leaks on blooie line

Drlg cement f/ 45ft to 94ft. Change out swivel packing (4hrs)

Drlg cement f/ 94ft to 214ft. Change swivel packing (3.5hrs)

Drlg cement f/ 214ft to 476ft. Rotary drill 7 7/8 hole F/476ft to 511ft.

Rotary drill 77/8 hole F/ 476ft to 511ft. Circulate hole clean and trip out of hole to change to hammer bit

COSTS

DAILY 6857

CUMMULATIVE $116,770

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-10-27-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 27-Oct-11 Depth 476 Metres last 24 hr ____ Rotating hrs ____

Activity at report time PRESSURE TESING BOPE

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 Vis 27 WL ____ Gels ____ Solids ____ % PV ____ YP ____ pH ____

Oil ____ % Sand ____ % Cake ____ PPMCL ____ PPMCa ____

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	JETS mm 2	JETS mm 3	BIT WT	BIT RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	Dull Cond. B	Dull Cond. G
1	11	Precision	11168RR11				6	40	476	476.00	6.75				

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	PUMP SPM	PUMP LINER	PUMP m³/MIN	ANN. VEL. DP	ANN. VEL. DC	JET VEL.	HHP	SURF. PRESS. kPa
PREC ISION AIR				1500					200PSI

DEVIATION SURVEYS

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

____ ° at ____ m ____ ° at ____ m

MUD & CHEMICALS ADDED

NONE

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
				0
				0
				0
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling		
2. Trips		
3. Rig Service		
4. Deviation Surveys		
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation		
8. Rig Repair		
9. Run Casing & Cement	4.75	
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on:	9.25	
15. Nipple Up & Test BOPS	10.00	
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out		
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

Remove cement head and make up 1" to run down backside
pumped 25sks of 15.8ppg class g 2%cacl 1/4 celloflake
Woc cement 2 hrs. Pumped 100sks of cement of 158.8ppg class
G 2% CACL 1/4# celloflake had returns to surface.
WOC chip cement out and dig down 2 1/2ft to cut consductor and
and cut casing to weld on wellhead. Weld on wellhead. Wait on
testers 2 1/2hrs and test bop. 1 hr downtime due hydralic hose
hooked wrong.

COSTS

DAILY $14,000

CUMMULATIVE $168,270

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-10-26-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 26-Oct-11 Depth 476 Metres last 24 hr 476 Rotating hrs 7.5

Activity at report time igging Lng 1" line to cement backside casing

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 Vis 27 WL Gels Solids % PV YP pH

Oil % Sand % Cake PPMCL PPMCa

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	2	3	BIT WT	RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	B	G
1	11	Precision	11168RR11				6	40	476	476.00	6.75				

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	SPM	LINER	m³/MIN	ANN. VEL. DP	DC	JET VEL.	HHP	SURF. PRESS. kPa
PREC ISION AIR				1500					200PSI

DEVIATION SURVEYS

3/4	° at 96	m	1 3/4	° at 400	m
3/4	° at 226	m	2 1/2	° at 476	m
1 3/4	° at 322	m		° at	m
1 3/4	° at 348	m		° at	m

MUD & CHEMICALS ADDED

NONE

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
HAMMER BIT		11	5.9	0
CROSS OVER	2.5	6.250	2.00	0
6-6 1/4" COLLARS	2.5	6.250	182.91	0
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling	6.75	
2. Trips	3.00	
3. Rig Service		
4. Deviation Surveys	2.50	
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation	0.75	
8. Rig Repair		
9. Run Casing & Cement	6.00	
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on:		
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out	5.00	
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

FINISH RIGGING UP AIR MANIFOLD AND BLOOIE LINES
SPUD IN AND DRLG TO 476FT SURVEYS AT 96',226',322',348',
400',476'. HIT WATER ZONE AT 350'. BLEW HOLE CLEAN AND
TRIP OUT OF HOLE TO RUN CASAING. RUN 10 JTS OF 8 5/8
466.51FT. PUMPED 300SKS (61 BBLS) OF GRADE G
2% CACL WITH 1/4# CELLOFLAKE AT 15.8PPG. AFTER PUMP-
ING 12 BBLS OF DISPLACEMENT WELL BRIGED OFF AND
PRESSURED UP TP 2300 PSI. CONTACTED BARRY AND STAT

COSTS

DAILY $27,068

CUMMULATIVE $109,912

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-10-25-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day 25-Oct-11 Depth _____ Metres last 24 hr _____ Rotating hrs _____

Activity at report time rigging up to spud

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt 8.3 Vis 27 WL _____ Gels _____ Solids _____ % PV _____ YP _____ pH _____

Oil _____ % Sand _____ % Cake _____ PPMCL _____ PPMCa _____

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	JETS mm 2	JETS mm 3	BIT WT	BIT RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	Dull Cond. B	Dull Cond. G

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	PUMP SPM	PUMP LINER	PUMP m³/MIN	ANN. VEL. DP	ANN. VEL. DC	JET VEL.	HHP	SURF. PRESS. kPa
precision air				1500cfm				250psi	

DEVIATION SURVEYS

____ ° at ____ m	____ ° at ____ m		
____ ° at ____ m	____ ° at ____ m		
____ ° at ____ m	____ ° at ____ m		
____ ° at ____ m	____ ° at ____ m		

MUD & CHEMICALS ADDED

none added

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
				0
				0

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling		
2. Trips		
3. Rig Service		
4. Deviation Surveys		
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation		
8. Rig Repair		
9. Run Casing & Cement		
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on:		
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out	24.00	
21. Safety meeting		
TOTAL	24.00	0.00

REMARKS

Plumb in Precision Air Package Cut off conductor and weld on well head, install rotating head, Trucks showed at 16:30 and rig set in by 18:30. Fuel line broke on forklift. Rig up floor and blooie line. Rig up Iron roughneck, stairs and walkways.

COSTS

DAILY 30091

CUMMULATIVE 82845

SUPERVISOR Michael Reis

DAILY DRILLING REPORT

FOR 24 HR PERIOD ENDING 2011-10-24-8:00
Yr - Mon - Day -Time

WELL NAME Gordan Creek ST LOCATION SE 7-14-8

Day _____ Depth 0 Metres last 24 hr _____ Rotating hrs _____

Activity at report time Rigging Up

DRILLING MUD PROPERTIES AT SHAKER/SUCTION/PIT

Wt _____ Vis _____ WL _____ Gels _____ Solids _____ % PV _____ YP _____ pH _____

Oil _____ % Sand _____ % Cake _____ PPMCL _____ PPMCa _____

BIT RECORD

BIT NO.	SIZE mm	MAKE & TYPE	SER. NO.	JETS mm 1	2	3	BIT WT	RPM	DEPTH OUT m	CUM m. DRLD	CUM. Rot hr	m/hr	Dull Cond. T	B	G

CIRCULATION RECORD

PUMP MAKE	PUMP STROKE	SPM	LINER	m³/MIN	ANN. VEL. DP	DC	JET VEL.	HHP	SURF. PRESS. kPa

DEVIATION SURVEYS

____ ° at ____ m	____ ° at ____ m	____ ° at ____ m	____ ° at ____ m
____ ° at ____ m	____ ° at ____ m	____ ° at ____ m	____ ° at ____ m
____ ° at ____ m	____ ° at ____ m	____ ° at ____ m	____ ° at ____ m
____ ° at ____ m	____ ° at ____ m	____ ° at ____ m	____ ° at ____ m

MUD & CHEMICALS ADDED

BOTTOM HOLE ASSEMBLY

TOOL	ID mm	OD mm	LENGTH m	CUM.
				0
				0
				0
				0
				0

REMARKS

COSTS

DAILY $52,754

CUMMULATIVE $52,754

SUPERVISOR Michael Reis

TIME ANALYSIS

OPERATION	DAILY	CUM.
1. Drilling		
2. Trips		
3. Rig Service		
4. Deviation Surveys		
5. Ream & Cond. Hole		
6. Mix & Cond. Mud		
7. Circulation		
8. Rig Repair		
9. Run Casing & Cement		
10. Fishing		
11. Logging		
12. Coring		
13. Formation Testing		
14. Waiting on:		
15. Nipple Up & Test BOPS		
16. Drilling Out		
17. Lost Circ.		
18. Laying Down DP & BOP's		
19. Plug & Abandon		
20. Rig up - Tear out	8.00	
21. Safety meeting		
TOTAL	8.00	0.00

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46537

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: GORDON CREEK ST SE-7-14-8

2. NAME OF OPERATOR: GORDON CREEK, LLC.

9. API NUMBER: 4300731230

3. ADDRESS OF OPERATOR: 1179 E. MAIN, #345 CITY PRICE STATE UT ZIP 84501

PHONE NUMBER: (435) 820-1489

10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1424.07' FSL 502.24' FEL

COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 7 14S 8E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☑ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 11/4/2011	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

On 11/04/2011, ran in hole with open ended drill pipe to 1195' and pumped 12.2 bbls (60 sx) of 15.8 ppg Class G cement + 3% CaCl2 + 1/4 # Celloflake (100% excess). Displaced with 10 bbls fresh water. Tripped OOH 15 jts & waited on cement. TIH in and tag cement top at 1067'. Then, tripped OOH to 600' and pumped 24 bbls (120 sx) of 15.8 ppg Class G cement + 3% CaCl2 + 1/4 # Celloflake (100% excess). Displaced with 10 bbls fresh water. Tripped OOH 19 jts & waited on cement. TIH in and tag cement top at 388'. Then, tripped OOH to 50' and pumped 6.1 bbls (30 sx) of 15.8 ppg Class G cement + 3% CaCl2 + 1/4 # Celloflake (100% excess). Displaced with fresh water with cement returns to surface. Tripped OOH and laid down all drill pipe. Well plugged and abandoned at 14:00 hrs 11/04/2011. Cementing report from Superior Well Services, Inc. attached .

NAME (PLEASE PRINT) BARRY BRUMWELL, C.E.T. TITLE VICE PRESIDENT of OPERATIONS

SIGNATURE DATE 11/11/2011

(This space for State use only)

RECEIVED
NOV 16 2011
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

FIELD TICKET

Job Header

SUPERIOR WELL SERVICES, INC
PO BOX 975682
DALLAS, TX 75397-5682

Customer THUNDERBIRD ENERGY
Cust Address 550, 1010-1 ST SW,AB,T2R 1K4,CANADA
Rig # S0123
Date 11/04/2011
Day 1

Ticket # S0123000246478
Well/Lease SE-7-14S-8E/GORDON CREEK
GET CHECK FROM CUSTOMER
Customer Rep MIKE

Details of Operations

Ticket From Time: 00:00 **(HHMM)** **Ticket To Time:** 18:00 **(HHMM)**

From	To	Time	Code	Description
00:00	02:00	2 hrs 00 mins	F.02	Travel time to location.Arrive location 02:00 am
02:00	02:30	0 hrs 30 mins	A.04	Rig / Equipment Up
02:30	02:45	0 hrs 15 mins	E.01	Safety Meeting
02:45	03:07	0 hrs 22 mins	C.99	10 bbls fresh 2.5 bbls/pm 0 psi
03:07	03:34	0 hrs 27 mins	C.07	12.2 bbls(60 sks) @ 15.8 # 1.8 bbls/pm 0 psi
03:34	03:41	0 hrs 07 mins	C.07	10.4 bbls displaced 6 bbls/pm 40 psi
03:41	08:33	4 hrs 52 mins	C.99	waiting for cement to tag
08:33	08:34	0 hrs 01 mins	C.07	10 bbls of fresh 2.1 bbls/pm 0 psi
08:34	08:40	0 hrs 06 mins	C.07	24 bbls(120 sks) @ 15.8, 2.7 bbls/pm 0 psi
08:40	08:47	0 hrs 07 mins	C.07	1.3 bbls displaced 3.5 bbls/pm 5 psi
08:47	13:34	4 hrs 47 mins	C.99	waiting to tagtag top to cement @ 388 ft
13:34	13:35	0 hrs 01 mins	C.07	16 bbls fresh 3 bbls/pm 0 psi
13:35	13:41	0 hrs 06 mins	C.07	6.1 bbls(30 sks) @ 15.8# ,3.4 bbls/pm 25 psi
13:41	14:00	0 hrs 19 mins	A.05	Rig / Equipment Down
Daily Estimated Hours:		14 hrs 00 mins		

Type of Operation

CEMENT

Safety Meeting

From Time	To Time	Meeting Topic	Notes
		OTHER-Other	

Weather

Temp **Wind** **Weather conditions:** Normal

Ticket Services

Service ID	Service Description	Billing Qty	UOM	Std. Price	Discount %	Amount	EDI1	EDI2	EDI3
202000001	Mileage DOT Units - Cmt - per unit, per mile, one way	130.00	Per Unit Per One-Way Mile	7.60	63.00	365.56			
202000002	Mileage non-DOT Units - Cmt - per unit, per job	130.00	Per Unit Per One-Way Mile	4.30	63.00	206.83			
202150001	Bulk Blending Service - per sack	400.00	Sacks	3.20	63.00	473.60			
202990008	AccuDat Recording System - each, per job	1.00	Each	1230.00	63.00	455.10			
202990010	High Energy Mix System (HEMS) - each, per job	1.00	Each	746.00	63.00	276.02			
253052050	Cement-Premium "G" - per Sack	400.00	Sacks-94	43.00	63.00	6364.00			
253000002	Calcium Chloride (CaCl2) - per pound	1150.00	Pounds	1.89	63.00	804.20			
202009998	2.5% FUEL SURCHARGE	437.62	Each	1.00	0.00	437.62			

FIELD TICKET

Job Header

SUPERIOR WELL SERVICES, INC
PO BOX 975682
DALLAS, TX 75397-5682

Ticket # S0123000246478

Customer THUNDERBIRD ENERGY
Cust Address 550, 1010-1 ST SW,AB,T2R 1K4,CANADA
Well/Lease SE-7-14S-8E/GORDON CREEK
Customer Rep MIKE

Rig # S0123
Date 11/04/2011
Day 1

GET CHECK FROM CUSTOMER

202260004	Pumping Service Plugging - 1st 4 hours per unit	1.00	Each	3550.00	63.00	1313.50			
202260010	Additional Hours Plugging - per hour, per unit	10.00	Per Unit Per Hour	888.00	63.00	3285.60			
201051111	super flake 6.40 per lb std. price	100.00	Each	0.00	0.00	238.00			
202990035	Drill Pin Swage Rental - per job, each	1.00	Each	222.00	63.00	82.14			
201051111	bulk blending charged - 202000008 .18 per mile	52000.00	Each	0.00	0.00	3640.00			

Daily Estimated Total: 17942.17

Comments

CUSTOMER REPRESENTATIVE REPRESENT AND WARRANTS THAT HE/SHE IS AUTHORIZED TO ENTER INTO THIS AGREEMENT ON BEHALF OF CUSTOMER AND ACCEPTS ALL TERMS AND CONDITIONS BETWEEN CUSTOMER AND NABORS (the "Company"). For standard terms and conditions (WHICH INCLUDES INDEMNITY LANGUAGE THAT ALLOCATED RISKS RELATED TO THE SERVICES DESCRIBED ON THIS TICKET), please click here. Pricing and extensions, if shown on the ticket, are subject to verification and correction at time of invoicing.

Tony Barbara
11/4/2011 2:14:56 PM
SWS Representative

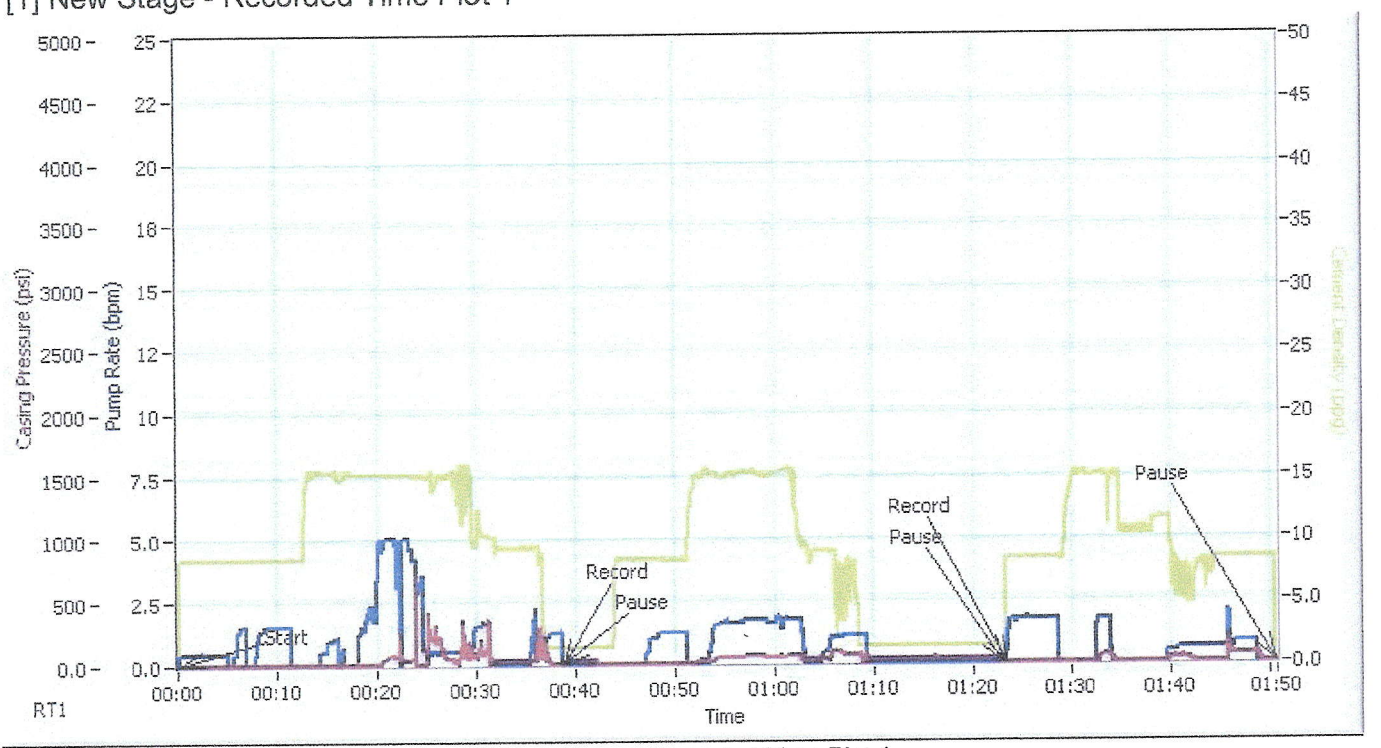
Mike reis
11/4/2011 2:17:02 PM
Customer Representative

Call-Out Information

Service Center(s)	VERNAL
Bulk Location(s)	VERNAL
Pumping Equipment	681
Auxilliary Equipment	
Time Called Out	2300
Time On Location	0030
Planned Time of Job	0200
Weather Conditions	Fair

[1] New Stage

[1] New Stage - Recorded Time Plot 1



[1] New Stage - Recorded Time Plot 1

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: GORDON CREEK ST SE-7-14-8

API number: 4300731230

Well Location: QQ NESE Section 7 Township 14S Range 8E County CARBON

Well operator: GORDON CREEK, LLC.

Address: 1179 E. MAIN, #345

city PRICE state UT zip 84501 Phone: (435) 820-1489

Drilling contractor: CBM PARTNERS RIG #100

Address: #36 CR 350 PO BOX 27

city FLORA VISTA state NM zip 87415 Phone: (505) 333-2500

Water encountered (attach additional pages as needed):

DEPTH		VOLUME	QUALITY
FROM	TO	(FLOW RATE OR HEAD)	(FRESH OR SALTY)
350	360	150	FRESH
518	528	250	FRESH

Formation tops: (Top to Bottom)

1	EMERY SANDSTONE	2		3	
4		5		6	
7		8		9	
10		11		12	

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) BARRY BRUMWELL, C.E.T. TITLE VICE PRESIDENT of OPERATIONS

SIGNATURE B Brumwell DATE 11/11/2011

RECEIVED
NOV 16 2011
DIV. OF OIL, GAS & MINING

(5/2000)